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CSCE Meeting To Discuss Balkans Issues Opens

LD0202143893 Belgrade TANJUG in English 1244 GMT 2 Feb 93

[Excerpts] Prague, Feb 2 (TANJUG)—Senior officials of the Conference on Security and Cooperation in Europe (CSCE) met in Prague on Tuesday [2 February] to discuss the situation in former Yugoslavia.

Circles close to the CSCE said the Senior Officials' Committee should not be expected to make any radical steps, except for a reaffirmed warning which the CSCE Ministerial Council sent to Yugoslavia from Stockholm six weeks ago.

Bearing in mind that the E.C. on Monday failed to reach a final decision on the Croatian aggression on Krajina, the CSCE meeting would probably also not take a concrete stand or condemn the aggression. [passage omitted]

Circles close to the CSCE believe the most disputed topic of the meeting will be the establishment of the post of a CSCE secretary-general. Many CSCE members argue this would further limit the already damaged function of agreement inside the Helsinki Forum.

The meeting is also to appoint a team of experts which is to prepare a report on the cases of aggressive nationalism, anti-semitism and racism.

However, the debate will focus on the crisis in former Yugoslavia and other countries which "are not ready for democracy" and those in which the European democratic standards have not yet taken roots.

Main Points of Session Outlined

LD0102211793 Prague CTK in English 2043 GMT 1 Feb 93

[Text] Prague, Feb 1 (CTK)—The crisis in Yugoslavia will be one of the main points on the agenda at the meeting of senior officials of the Conference on Security and Cooperation in Europe (CSCE), which begins Tuesday [2 February] in Prague's Palace of Culture.

Discussions important for the Czech Republic include those on institutional reform and on the establishment of a post of CSCE general secretary, about which Czech diplomacy has reservations, Czech diplomatic sources told CTK today.

Accelerated creation of the new post of general secretary, to be based in Vienna, is supported particularly by European Community countries, Poland and the United States, said a member of the Czech delegation of the committee of senior officials. The Czech Republic, Canada, and other countries are against a sped-up reform.

The Czech Republic would suffer because if the post of general secretary is created, the Secretariat of the CSCE would be moved from Prague to Vienna and Prague would no longer host the regular meetings of senior officials.

Of the two official and one unofficial candidates for the post of general secretary, Wilhelm Hoynck, political director of the German Foreign Ministry, is thought to have the best chance. His candidacy is supported by the European Community, the United States, Poland, and other countries. Bulgaria has also proposed an official candidate and the Russian Federation has proposed an unoffical one.

The countries striving for the general secretary to be named quickly want it to happen this spring. The Czech Republic and other states which are against it argue that the reform should be approved by the CSCE Council of Ministers, which will meet at the end of the year in Rome.

The agenda of this 19th meeting of the committee of senior officials will be expanded to include members of the mission in the crisis areas of the former Yugoslavia—Vojvodina, Kosovo, and Sandzak. The committee will also look into the situation in Nagorno-Karabakh and other conflicts.

The committee should also discuss financial questions, because the costs of the mission's activities are growing immensely, said Czech Foreign Ministry official Pavel Vacek. Last year Czechoslovak contributions to the CSCE budget amounted to millions of crowns, and this year the Czech Republic will contribute tens of millions.

The committee meeting is to last until Thursday, the CSCE Secretariat in Prague told CTK.

CSCE Says Claims of Camps in FRY 'Unfounded'

LD0302044893 Belgrade TANJUG in English 0011 GMT 3 Feb 93

["Pool" item]

[Text] Prague, February 2 (TANJUG)—The claims that there were 'secret concentration camps' in the Yugoslav republics of Serbia and Montenegro were unfounded, it was announced at the CSCE senior officials committee meeting on Tuesday night [2 February]. The committee meeting began behind closed doors on Tuesday morning.

The Prague meeting delegation circles said CSCE special mission visited Serbia and Montenegro on January 13-23 and established that the alleged concentration camps did not exist.

The special CSCE mission was formed last December in Stockholm as the CSCE ministerial council had ordered. Certain Western media (in the U.S.) published reports last year about the alleged existence of concentration camps for Moslems in Serbia and Montenegro. These media have from the outset of the Yugoslav crisis blamed the Serbian people for the conflicts in the former Yugoslavia.

The committee, as learned, considered on Tuesday nearly all questions on the agenda—from the situation in the former Yugoslavia, via the crises in different states of the former Soviet Union, to the difficulties in the functioning of the CSCE institutions, especially in carrying out its tasks.

Bulgaria's Yordanov Addresses Council of Europe

AU0102210893 Sofia BTA in English 2003 GMT 1 Feb 93

[Text] Sofia, February 1 (BTA)—National Assembly chairman Aleksandur Yordanov, attending Bulgaria's Day at the 44th session of the Parliamentary Assembly of the Council of Europe in Strasbourg, met at midday with Catherine Lalumiere, secretary general of the Council of Europe, the Khorizont program of national radio said today.

Bulgaria is a member of the Council and Mr. Aleksandur Yordanov is welcome here, said Mrs. Lalumiere. This is a wonderful day for Bulgaria, said Mrs. Lalumiere. Despite the conflicts and the continued political crises, Bulgaria is pursuing the democratic process. It can rely on support from the Council of Europe for the protection of democratic values, she said. Later on, Aleksandur Yordanov met with Miguel Martinez, president of the Parliamentary Assembly. He praised highly Mr. Yordanov's participation in Bulgaria's political life and his role as a moderator, who helped attain political stability and peace in the last few rather difficult months, National Radio said.

National radio quoted Mr. Martinez as saying that the Bulgarian parliamentary delegation is very active, the Bulgarian representatives take part in the work of all committees and project the image of a civilized country, which is turning into a democratic European country.

Later on Mr. Martinez and Mr. Yordanov delivered speeches in connection with Bulgaria's Day.

"Mr. President, we very much appreciate your own commitment to these values as demonstrated by your tireless efforts to solve Bulgaria's political crisis, and the resulting parliamentary problems, in a spirit of reconciliation and mutual understanding. This approach is evidence of Bulgaria's growing democratic and constitutional maturity," Mr. Martinez said. "In a region like the Balkans, which is a turmoil of instability, the stability of your country is a safeguard both for you and for Europe as a whole.

"Mr. President, you are aware of my personal engagement for your country, which stands from the time when I was operating as the rapporteur for its admission as a full member of our council. I wish to tell you and your people that my hopes and expectations, my trust in your democratic proceedings have not been deceived," Mr. Martinez said.

"Now our assembly is following events in Bulgaria very closely and I can assure you that we will continue to do our utmost to help consolidate democracy among your people," Mr. Martinez said in conclusion.

In response Mr. Yordanov said that Bulgaria will develop and improve its parliamentary democracy in line with the principles and values of the Council of Europe.

"Bulgaria is following its chosen path. We have had very difficult times. With great efforts, we have been putting in practice the ideas of democracy and a market economy. We managed to turn Bulgaria into a real island of peace, stability and reform," said Mr. Yordanov.

"Bulgaria is a Balkan country but its foreign policy and internal stability sharply contrast with the situation which provokes concern in all of us and poses a danger to the Balkans. We, Bulgarians, are working for a world of tolerance, a world free of violence and wars, a world of free people and high moral and political values," said Mr. Yordanov.

An exhibition of works by Bulgarian artists opened. A Bulgarian sculpture was presented to the Council of Europe.

Hungary's Goncz Meets Foreign Leaders in Prague

LD0202205193 Budapest MTI in English 1915 GMT 2 Feb 93

[Text] Prague, February 2 (MTI)—Hungarian President Arpad Goncz on Tuesday [2 February] had separate talks in the Prague Castle with foreign heads of state who are also attending the inauguration ceremonies of Czech President Vaclav Havel.

President Goncz first met Polish President Lech Walesa, then Austrian President Thomas Klestil and German President Richard von Weizsaecker.

According to information, Presidents Goncz and Walesa, apart from discussing issues of bilateral economic and political relations, also discussed the cooperation arrangement between the Visegrad group of countries (the Czech Republic, the Republic of Slovakia, Poland, and Hungary).

The CTK Czech news agency learned that Lech Walesa wants to create a "firmer structure" for the Visegrad group, while Goncz considered a "more pragmatic" approach necessary.

(The Czech Government is known to not want to institutionalise the Visegrad framework, although stressing the need for close economic cooperation. Adjectives "firmer" and "more pragmatic" used by the Czech news agency should be seen in this context.)

At the same time, also according to the CTK news agency, both presidents saw a coordinated stand as necessary, in view of the "similar situation" of the Visegrad countries in their relation to the European Community.

Article Analyzes Decline in Czech-Slovak Trade

AU0202190693 Prague MLADA FRONTA DNES in Czech 29 Jan 93 p 14

[Report by Tomas Marek: "A Continual Decline in Mutual Trade Between the Czech Republic and Slovakia"]

[Text] Trade between the Czech and Slovak Republics declined continuously last year. This is confirmed by the figures released by the Czech Statistical Office for the first three quarters of 1992. The negative mutual trade balance on the Slovak side has increased dramatically. It increased to 13 billion korunas in the period from January to September 1992—in comparison with 9.0 billion korunas during the same period in 1991—that is, by 44 percent. At the same time, the balance was 8.0 billion korunas during the first six months of 1992, which means that Slovak exports to the Czech lands declined palpably during the third quarter.

As opposed to the results for the same period (January-September) in 1991, Czech exports to Slovakia declined by 15 percent, that is, from 86.7 billion korunas to 73.6 billion korunas at current prices. This means the volume of trade declined even more significantly. Slovak exports to the Czech Republic during the same period declined from 77.7 billion korunas to 60.5 billion korunas, that is, by 22 percent.

According to the majority of experts, the first few days of this year heralded another profound shock for mutual trade between the republics. Customs and taxation complications (value-added tax deductions and consumer taxes along with the already discontinued customs security deposits) made exchange more difficult, while the anticipated currency separation acted as a significant destabilizing factor. Demands for cash payments when collecting goods is relatively normal; of course, this is a tendency oriented toward reducing the volume of trade. It is very often based on credit and noncash payments.

Czech Trade and Industry Minister Vladimir Dlouhy said a few days ago that a decline in mutual trade by 10 to 40 percent is to be expected due to the currency separation. He called the other possibility a catastrophic scenario.

Slovakia is the Czech Republic's largest trading partner; our exports amount to a level comparable with all the states of the EC put together. Slovak exports to the Czech Republic are roughly the same as the total amount of the republic's exports to other countries.

Most mutual trade is accounted for by the processing industry (57 billion korunas from the Czech Republic to the Slovak Republic; 54 billion korunas from the Slovak Republic to the Czech Republic). In 1991 the Czech Republic had a negative balance of almost 3 billion korunas in this sphere; now the situation has completely reversed virtually because of the decline in Slovak exports.

Trade in other goods along with vehicle and consumer goods repairs accounted for the largest positive balance (5.5 billion korunas) on the Czech side during the first three quarters of 1992, while—on the contrary—the republic's largest negative balance was in the coke industry and refinery products.

Officials Seek To Prevent Spread of Bosnian War

AU0202102493 Tirana ATA in English 0930 GMT 2 Feb 93

[Text] Tirana, February 2 (ATA)—Referring to REUTER, the Balkan leaders and their neighbours warned by this weekend that if no end can be immediately put to the conflict in former Yugoslavia, it may spread in the whole region and may bring about a wholesale dilapidation. The warnings by the presidents of Albania and Bulgaria, and the ministers of Turkey, Greece, and Romania in Davos remind of the conflicts which led to the World War I. "I am afraid Milosevic will not stop on his road... Events may deteriorate to an inter-Balkan war," the Albanian President Sali Berisha stated to the businessmen and parliamentarians at the world economic forum at Davos. Bulgarian President Zhelyu Zhelev said that it is an inevitable result if the international community does not take action to prevent the spread of war in Bosnia and Croatia in the region of Kosova and Macedonia. The Turkish Deputy Foreign Minister Ozdem Sanberk said that the UN one-sided embargo on weapons imposed on former Yugoslavia must be lifted to let the Bosnian Moslem government to get the necessary weapons to defend from the Serb rebels. The same recipes were also proposed by the German Minister of Defence Volker Ruhe.

Expressing the worry over the fate of one million Albanians under the Serb domination in Kosova, President Berisha said: "I'll declare that the Serb dictator is directly responsible for the most horrible tragedy in Europe since 1945... There will be no peace in the Balkans as long as Milosevic is psychosis-ridden of being a winner." In order to substitute "the pride of an aggressor with the complex of a failure" said Berisha, "it is necessary to lift the arms embargo for the Government of Bosnia imposed by the UN and Serbia's military machine should reduce 'by means of selected air raids.'" "If this is not to be done," stated the Albanian president, "the Balkan's Saddam will continue to cheat his interlocutors in Geneva and the crisis in the Balkans will not be restrained." Berisha and Zhelev discussed the international recognition of Macedonia. "The recognition of Macedonia will contribute to the stabilization of the situation. Without this the country may be a victim of an external aggression," said Zhelev.

Berisha Returns From Negotiations in Davos

AU0202091493 Tirana ATA in English 0907 GMT 2 Feb 93

[Text] Tirana, February 2 (ATA)—President Sali Berisha returned home on February 1. Negotiations with senior world personalities lasted till late at the last night of the stay in Davos.

President Berisha met with Mr. Peres, Israeli foreign minister and talked with him on the materialization of the agreement between Albania and Israel in the field of agriculture. At the meeting with the World Bank representative, they put emphasis on promoting the projects of this bank for agriculture, infrastructure and constructions in Albania. The talk with the Slovene premier concentrated on the very good current relations and the instigation of Slovene businessmen for investments in Albania. He also agreed with the Czech premier for favouring Albania with a state export credit for purchasing tractors, while with the Ukrainian president he talked on promoting the bilateral relations. At the meeting with the Turkish deputy foreign minister, they said that the fraternal relations between Albania and Turkey are a significant factor to carry on cooperation in all the fields.

They talked on the situation in the Balkans. They appreciated the policy pursued by Albania and its positive role to create ever more favourable conditions for understanding.

President Berisha also attended a live mission in the studios of Swiss TV.

Trade Union Officials Receive Kosovar Delegations

AU0202183793 Tirana ATA in English 0930 GMT 31 Jan 93

[Text] Tirana, January 31 (ATA)—On January 30, Alfred Xhomo, general secretary of the Confederation of the Trade Unions of Albania, met with a delegation of the presidency of the Independent Trade Union of Agrocomplex of Kosovo. They exchanged experience and laid the stress on the need of intensification of the relations of the trade unions for the protection of the rights of the working people of agriculture. They discussed also problems of food industry and trade.

On January 29, the chairman of the Independent Trade Unions of Education of Albania Imir Kamba met with the delegation of the Independent Trade Unions of Secondary Education of Kosovo led by its chairwoman Mereme Shema. The trade union delegation from Kosovo paid some visits in the secondary schools of Tirana.

Officials View Common Issues

AU0202184093 Tirana ATA in English 1117 GMT 2 Feb 93

[Text] Tirana, February 2 (ATA)—The Union of the Independent Trade Unions of Albania reports that these days the chairman of the Albanian Independent Trade Unions of Education, Imir Kaba, received the delegation of Kosovo's Independent Trade Unions headed by its chairwoman Merjeme Shema. During the talk, the representatives of the delegation demanded help to denounce and condemn throughout the world Serbs' repression against the Albanian education and culture in Kosovo. The representatives of Kosovo's Independent Trade Unions of Education also visited some secondary schools of Tirana.

State Control's Cela, Portuguese Delegation Meet

AU0202185493 Tirana ATA in English 1258 GMT 1 Feb 93

[Text] Tirana, February 1 (ATA)—On January 31, a delegation of the State Control of the Republic of Portugal headed by its president, Prof. Antonio De Zouza Franco, arrived in Albania invited by the State Control Service of the Republic of Albania.

The delegation was received at the airport by Blerim Cela, chairman of the State Control Service, and other officials of this department.

This is the first visit of the high level Portuguese delegation since the establishment of the diplomatic relations between the two countries in 1977. The negotiations with this delegation will concentrate on problems of cooperation between the two departments in the field of economic and financial state control.

The Portuguese delegation will meet senior Albanian personalities and will visit some districts of the country.

NATO Delegation Briefed on Army Reform, Region

AU0202183093 Tirana ATA in English 0918 GMT 2 Feb 93

[Text] Tirana, February 2 (ATA)—On February 1, Safet Zhulali, minister of defence, had a separate meeting with a NATO delegation made up of a group of explorers, led by Brigade General Struchio.

Mr. Zhulali said that the Albanian military are totally devoted to carry out the proper structural changes of the Army. He said that the Albanian military are psychological adapted to the democratic laws. A new concept is created, which consists in the fact that Albania is no longer isolated, but it is an integral part of Europe. This new mentality, said Mr. Zhulali, is expressed in the fact that currently we don't consider only enemies around ourselves, as we used to do before, but we seek to make friends on the basis of mutual confidence.

Mr. Zhulali said that Albania is involved in settling all the problems and conflicts in the region by means of dialogue and peaceful ways. He said that after the failure of Geneva talks to settle the problems and conflicts in former Yugoslavia, comes the option of resorting to might, which is a real embarrassment to all as it leads to the further aggravation of the situation in the region. Albania has declared that it cannot allow ethnic purges in Kosovo. We have established good relations with the neighbouring countries and the other democratic countries, said Mr. Zhulali, having no ill intention against another country. The only alliance Albania has declared to be a member of is NATO, said Zhulali in closing.

On his part, the Brigade General Struchio said that the goal of the visit of this delegation is to further extend and materialize cooperation. Albania, said he, is in the focus of the supreme NATO levels. He declared that the chairman of the NATO Executive Committee is going to visit Albania soon. This, said he, is of particular importance because it is its first visit to the NATO non member countries.

On February 1 afternoon, General Lieutenant Ilia Vasho and members of the General Staff of the Army met the NATO delegation. He briefed the NATO military delegation on aspects of work for the reformation and restructuring of the Army.

Meets Officers, Discusses Defense Issues

AU0302143393 Tirana ATA in English 0934 GMT 3 Feb 93

[Text] Tirana, February 3 (ATA)—On February 2 before noon, a NATO delegation made up of high ranking military men, headed by Brigadier General Struchio went to the Albanian Ministry of Defence. It conducted talks with the Albanian counterparts headed by the Lieutenant General Ilia Vasho.

The military experts discussed about the Albanian concept on defence, the way to organize the Army, the Ministry of Defence, and the general staff.

In order to be closely acquainted with the training level of the Albanian Army, on February 3-4, the NATO military experts will visit units of the Albanian Army and some military schools.

Motives for Mercenaries Claim Questioned

AU0202133693 Sofia Khorizont Radio Network in Bulgarian 1000 GMT 2 Feb 93

[Text] Sometimes a brief news report can shock readers and create panic. This applies particularly to a situation affecting developments in the immediate proximity of Bulgaria. Our colleague Martin Minkov comments:

[Minkov] Mercenaries of ours are fighting in Bosnia, a Sofia paper claims in a banner headline, basing itself on Mr. Nedim Gendzhev [former chief mufti of Bulgaria and deputy leader of the European Muslim Union]. I think there is a problem with both the claim made by the gentleman and the reaction it could evoke among readers of a very popular daily. However, if our colleagues at 24 CHASA decided to publish the claim, we must say that they had every right to do so.

On the other hand, it also is my right as a journalist to ask Mr. Gendzhev a number of questions. Does he have any evidence for his claim, which is addressed to Bulgaria's national institutions? If not, would it not have been necessary to point this out and note that, as a state, Bulgaria is by no means responsible for the actions of a handful of its citizens who, as private persons or mercenaries, have reportedly decided to make some profit in the bloodbath taking place west of Bulgaria. In the final analysis, this is a matter of personal ethics.

Mercenaries have existed as long as the world. People holding various citizenships are fighting on the Yugoslav fronts. Enough evidence of this has been presented in Geneva and New York by Sarajevo, Belgrade, and Zagreb. However, the main concern of Mr. Gendzhev, whose positions are rather controversial among the Bulgarian public in general and the Bulgarian Muslims in particular, appears to be prompted by his personal ambition to change his own image created during the 1984-89 period. Otherwise, I cannot answer why it is that Mr. Gendzhev's concern affects only one side? His union obviously is not interested in the fact that Afghan and Arab Mojahedin are fighting against Christians in Bosnia. This is because it is probably not clear whether they are mercenaries or well-organized soldiers of Allah, for whom the massacre in Bosnia is a real jihad—the favorite word of the Islam fundamentalists.

The danger of turning the war in Bosnia-Hercegovina into a large-scale religious confrontation between Christians and Muslims is perhaps the most serious problem the Balkans could face. It is precisely Bulgaria that has repeatedly warned of this possible development at the highest level.

The attempt to gain personal dividends by playing on the personal feelings of the people in the Balkans, who are being crucified now, and where Christianity and Islam coexist in practically every country, is nothing less than deliberately playing with fire. I ask myself whether there is a Bulgarian citizen who is interested in this.

President's Office Responds

AU0202195493 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 2 Feb 93

[Text] In connection with today's report published in the newspaper 24 CHASA about the declaration of Muslim official Nedim Gendzhev, which he was supposed to submit to the president and prime minister, presidential spokesman Valentin Stoyanov said that no information of this sort is available to the president since the declaration has not been submitted to him yet.

The spokesman stressed that Bulgaria has nothing in common with the phenomena described in the declaration.

Hence, state institutions bear no responsibility whatsoever for the alleged existence of mercenaries, according to Stoyanov.

Paper Says Iliescu Has 'Territorial Designs'

AU0202215293 Sofia BTA in English 1935 GMT 2 Feb 93

[Text] Silistra, February 2 (BTA)—The NOVA SILISTRENSKA TRIBUNA newspaper describes as "a manifestation of nationalism and territorial designs" the statement made by President Ion Iliescu of Romania at the ceremonies in Iasi marking the 134th anniversary of the unification of Wallachia and Moldova. An editorial note in the silistra newspaper says that Mr. Iliescu's mention of a unification of all Romanian territories, and his appeals "to follow the forefathers' example" can only be interpreted as rekindling the nationalists' vain hopes of a greater Romania. The newspaper calls on the Municipal Council and the Mayor's Office in Silistra and on the M.P.'s [members of parliament] to insist that the Bulgarian authorities make sure that "such outpourings stop upsetting the population in the borderland areas and above all in Dobrudzha." According to the newspaper, this shows that "the official Romanian authorities have not given up their stake on nationalism and their claims to territories of neighbouring countries."

Between 1919 and 1940, Southern Dobrudzha was incorporated into Romania. Bulgaria regained the territory under the German-sponsored treaty of Craiova.

On the eve of the presidential elections in Romania, campaign leaflets of one of the candidates were circulated in the area of Silistra, featuring maps of greater Romania. A previously unknown Greater Romania Association, based in Paris, sent such maps to the mayors of some villages. The Romanian authorities formally distanced themselves from these actions.

Weekly Views Territorial Disputes With Neighbors

AU0202141693 Sofia POGLED in Bulgarian No. 4, 25 Jan 93 p 4

[Article by Alekseniya Dimitrova article: "How Are Bulgaria's Territorial Disputes Expected To Be Resolved?"]

[Excerpt] Four territorial disputes are currently outstanding between Bulgaria and its neighbors.

Two controversial border problems affect our relations with Turkey today: One is located in the area of Shtit, the other concerns the most remote part of the land border—namely at the mouth of the River Rezovska. In the meantime Romania claims a 4-kilometer strip in the Black Sea.

Nearly a decare of land on our borders with Macedonia is also disputed.

The tone of the claims reaches from categorical insistence to delicate hinting. Well-informed sources confirm that such disputes are not likely to lead to war, but at the same time, the awareness that someone would like to bite off a piece of Bulgarian territory is not very reassuring and could cause some sleepless nights.

Bulgaria and Turkey again confirmed the existence of a dispute over territorial waters at the mouth of the River Rezovska during meetings in Ankara in June 1992 and in Sofia in November 1992. There has been ample evidence of the dispute on several occasions, starting with the erection of a stone barrier for fortification of the shore and ending with the death of a Bulgarian sailor called Bletsov, who was shot.

Such methods of settling a dispute are far from normal and are not very pleasant, at least not for the Bulgarian side. Accordingly, negotiations are expected to be continued in 1993. The Bulgarians are determined to conduct the negotiations on the basis of the following "argument": "We do not claim any foreign territory, but we are not prepared to give up what belongs to us." One can hardly venture to forecast the outcome of this dialogue.

The chances of an early settlement of our disputes in the case of the territory near Shtit are more promising. The disputed territory reportedly extends for a length of 550 meters. While working in his field, a neighbor on the Turkish side apparently "bit off" a small piece of Bulgarian territory. It is no consolation that approximately 300 meters of the border were restored to Bulgaria in the spring of 1992. An additional 250 meters are in question, but the Bulgarian side hopes to reach agreement on them as soon as possible.

According to unprejudiced observers, our territorial dispute about part of the border territory with former Yugoslavia—namely present Macedonia—is sheer bad luck. The controversy about 750 meters of land emerged in the 1985-86 period on the occasion of the signing of the usual protocol about the renewal, definition, and upkeep of the border and border signs. All states sign such protocols with their neighbors every five years. On just such an occasion, both sides expressed the view that the borders sketched on the map did not correspond to the description of the border. No one can say definitely how and when the dispute can be expected to end. Well-informed sources cautiously predict that this could be only after the drafting and signing of a border agreement with Macedonia—the new international legal entity.

Our dispute with the Romanians involves the dividing line between our two territories. The question is about a 4-kilometer stretch of sea territory. The problem was mentioned for the first time in 1991. On that occasion the Romanian side officially declared that it does not recognize the position of the floating border marker set up on the basis of the 1956 border agreement. All the signs are that the dispute is not about a bit of sea water, but affects certain territorial and economic interests.

Disputes are the privilege of diplomats and economists. The privilege of ordinary Bulgarian citizens is to worry. Are our borders peaceful? What is the situation at our Western border, which is the most troublesome? Is there a possibility that the military conflict ravaging our neighbor's land might be transferred to our territory?

Colonel Georgi Teterkov, chief of the Border Troops, answers: "In theory, everything is possible. However, this could not happen without preliminary information and the necessary measures on our side. In present circumstances, considering the current developments in Bosnia-Hercegovina, Macedonia, and Kosovo, the most likely incident we could expect would be an unpredictable influx of refugees to our country rather than the immediate collapse of our Western border."

As a matter of fact, although our border with former Yugoslavia is supposed to be the most restless one, in terms of our national security, our border with Greece is much more frequently crossed by illegal trespassers, according to the Border Troops chief.

For example, on one day in November 1992 approximately 100 individuals—Nigerians, citizens of Morocco, Kurds, Romanians, Russians, and Bulgarians—were arrested simultaneously at the Petrich checkpoint. Though well organized, their attempts to cross the border illegally from the other side were foiled. The border guards do not remember ever having come across such an "invasion" of refugees on the same day. The daily "turnover" is usually 24 people, which applies to all Bulgarian borders. In 1992 the number of arrested trespassers amounted to 2,242. [passage omitted]

Dimitrov Criticizes Berov Economic Policy

AU0202151393 Sofia BTA in English 1450 GMT 2 Feb 93

[Text] Sofia, February 2 (BTA)—At today's press conference the leader of the Union of Democratic Forces (SDS), Filip Dimitrov, sharply criticized the economic policy pursued by Prof. Lyuben Berov's cabinet which was elected at the end of December last year.

According to Mr. Dimitrov, who headed the SDS government from November 1991 to December 30, 1992, the actions of Prof. Berov's cabinet have led to increasing the inflationary pressure. "I am afraid that the achievements of the SDS government may be easily wasted," the SDS leader stressed. He does not think that the new cabinet is able to take any energetic measures to curb inflation. Interviewed for the press, yesterday Deputy Prime Minister Valentin Karabashev described the projections for a 56 percent inflation in 1993 as too optimistic. In 1992 inflation averaged about 80 percent.

Commenting on the resignation of the governor of the Bulgarian National Bank, Prof. Todor Vulchev, handed over to parliament yesterday, Mr. Dimitrov said that probably the professor's motives were of economic and political character. He could hardly be expected to agree with the views expressed by some ministers that a pro-inflation policy could be followed scot-free, Mr. Dimitrov said. "Prof. Vulchev would never stand any mess in the anti-inflation policy," he added.

New Social Cooperation Council Criticized

AU0202095893 Sofia DEMOKRATSIYA in Bulgarian 25 Jan 93 p 5

[Ivaylo Kutov article: "Small-Time Politics"]

[Text] The new government is still at the stage of settling down and for the time being certain naive people still have not withdrawn the credit they gave it. The government's first actions indicated its desire to fully rule the enforcement ministries and departments. At the same time several heroic statements were made concerning intentions in the sphere of financial and economic policy. On the basis of those statements we were expected to conclude that we could resolve issues related to economic and financial renewal and stabilization by means of domestic policy. In the last few days it has become clear to most ministers that they cannot cope with the new situation in which they find themselves. It is indicative that what used to be denied in a demagogic manner in the newspapers and in public appearances has now become a priority in the activity of Berov's cabinet. This applies to containing inflation, the restrictions policy, and compensations.

In anything related to the issues of social policy the government quickly demonstrated its inability to deal with the issues and prevent the emergence of social conflict. An informal institution from the time of [former Prime Minister] Dimitur Popov, which will effectively rule the country, will be established under a new name—"Council for Social Cooperation." This is an abnormal step that will inevitably produce unfortunate consequences.

The establishment of such a council as a continuation of the tripartite commission, and of the opinions of former Deputy Prime Minister Nikola Vasilev again aims at finding a palliative social solution. This is called small-time politics. A normal state cannot allow decisions that have an obligatory character for the executive and legislative powers to be made under the pressure of the trade unions. In this way both the ministers and the people's representatives will be obeying an institution that is not mentioned in the Constitution, and subsequently has no binding power or responsibility for its decree.

It is not at all by accident that both Krustyu Petkov [leader of the Confederation of Independent Trade Unions in Bulgaria], and [Podkrepa Labor Confederation leader] Konstantin Trenchev flatter the new cabinet. This is not only because the new cabinet will be compromising and agreeable to the trade unions, but mainly because of what the statute of the new council will contain. Through the obligatory character of its decisions the honorable members of the council will be able to subjugate the executive and legislative powers and, undoubtedly, pursue their own interests.

The correctness of this conclusion is also evident when one views the jealous attitude of the chiefs of Podkrepa and the Confederation of Independent Trade Unions in Bulgaria to other trade unions' applications for participation in the planned council, because the council obviously is intended to have the character of a ruler.

The trade unions have their place and uses in democracy, providing that they observe the laws and act within their own domain. Their participation in informal institutions that control the government is not only inefficient, but also unconstitutional.

Havel Sworn In as President of Republic

LD0202145893

[Editorial report] Prague Radiozurnal Radio Network in Czech at 1258 GMT on 2 Febrary begins a live relay from Vladislav Hall of Prague Castle, where Havel is to take the oath as the first president of the Czech Republic. An announcer says that the program is to start with Dvorak's symphony, followed by parliament speaker Uhde's address, then the oath ceremony, the hoisting of the presidential banner, a 21-gun salute, the Czech national anthem, and then more music and a military parade on the third courtyard. At 1640 GMT, Havel is to address people from the Castle's balcony, the announcer notes.

At 1300 GMT, Havel, accompanied by Uhde, arrives in the Hall. Deputy Chairman Vlach of the parliament welcomes all those present. At 1305 GMT, Milan Uhde begins his address. He says:

"Esteemed president of the Republic, esteemed Mrs. Havlova, esteemed presidents, esteemed diplomatic corps, esteemed deputies, esteemed government, esteemed guests, ladies and gentlemen.

"This day gives us an opportunity to try and draw the profile of Vaclav Havel, who on 26 January this year was elected the first president of the Czech Republic.

"In the past the personality embodied a natural unity of ideas and deeds. In the 15th century, the Prague priest and university teacher let himself be burnt at the stake rather than to revoke his concept of truth on the instigation of the powerful [referring to Jan Hus]. He could have saved his life by recanting. But of what use would the physical being be to him had he in fear deprived it of its internal meaning?

"Since the late thirties of our century, this unity has vanished from Czech politics. Politicians used to sign declarations and made decisions with which they did not identify themselves. They did so under external pressure. I remember hearing one of them defending himself when faced with reproaches that he should not have signed. He said, well, our lives were at stake. But whose life in a community under threat should be at stake if not first of all of those who are at the top?

"Vaclav Havel as an artist dealt with the rupture between human deeds and their meaning, and he depicted the consequences in which such a rupture results.

"In the seventies and the eighties, though, he went beyond the borders of his creative work for stage and in essays. He revealed himself as a citizen. He entered the stage of public life and under the conditions of Communist dictatorship he began to live in unity with his democratic ideas. He did not withdraw when faced with conflict with power, not even when the latter threatened to jail him. Not for months though, as in 1977, but for years.

"This meant risking one's life. Vaclav Havel did take that risk. He who stands firm behind his ideas rightly wins the peoples' trust. Thus, Vaclav Havel after November 1989 was elected president of the reviving Czechoslovakia. The Czech public believed him that politics, as any other activity, has an honest dimension. The whole world needs this sort of faith, and thus the world has understood our choice.

"I am convinced that Havel's merit was the first reason why Czech deputies elected him president of the Czech Republic. Vaclav Havel, after November 1989, found himself in a political post because of his consistent behavior as a cultural representative and a democratic citizen. The high post came to him rather than him having to strive for it intentionally. He came from another sphere, not from the professional politicians' sphere, and thus many people linked him with a hope that the impossible would become possible in our country. At 1,000 days after November 1989, we all know more about this. The trustworthiness of politicians of the post-November development was assessed not only by the existence or lack of the harmony between ideas and deeds, but is also based on the knowledge of individuals' ability to deal with the first practical tasks of the gradual transformation of the lifeless Communist formation into an open and free society. Political parties emerged, despite expectations that we would create an entirely new type of political life and manage without them, and competition and rivalry started between them and this has ended the November and post-November unity.

"This situation made Vaclav Havel behave, not as one who has come from another place, but as a politically responsible representative who comes from inside a governing team. In his new role, he also evoked controversial reactions, and he erred—this is only natural. He became a man of politics. He decided to accept the nomination for the post of Czech president as a realistic partner of political forces that he supported before the 1992 elections. This is, in my opinion, the second reason why most of the Czech deputies voted for him.

"Ladies and gentlemen deputies, I think that we have made a good choice." At 1314 GMT, Uhde ends his address and invites Havel to take the oath.

Havel takes the oath of office. A parliamentary official says: "Esteemed guests, may I ask you to rise. Esteemed Mr. President, you are now to swear an oath before me, which is prescribed by the Constitution. Therefore, may I ask you to approach the table on which lies the Constitution of the Czech Republic, to place your hand on it, to read the oath, to take the oath and seal it by shaking hands and endorse it with your signature?"

Havel says: "I swear my loyalty to the Czech Republic. I swear that I will observe its Constitution and laws. I swear on my honor that in my office I will pursue the interests of all the people according to my best knowledge and conscience."

At this points, the announcer says: "Vaclav Havel is now signing the solemn oath of the president of the Republic."

After the oath is signed, the Czech national anthem is played.

At 1316 GMT, Prime Minister Vaclav Klaus congratulates Havel, the radio reporter says. Havel leaves for the military parade, and the live relay ends.

Delivers Inaugural Speech

LD0202184893 Prague Radiozurnal Radio Network in Czech 1710 GMT 2 Feb 93

[Presidential inauguration speech delivered by Czech President Vaclav Havel at Prague Castle to crowd in courtyard—live]

[Text] Dear friends, Czechs, Moravians, Silesians, fellow citizens of the Czech Republic: Historic and political development has reached the moment when two peoples, so far living together in Czechoslovakia, have set out on their own path. Thanks to this, an independent Czech Republic came to birth a month ago. The horizon of what we call homeland has thus been significantly narrowed. No one is easily coming to terms with this change, but we have not lost our homeland because of this. On the contrary, its new state image represents for us an appeal for new thinking about its very essence and identity, its possibilities and prospects, its hopes. It is, at the same time, an appeal for truly creative work. We must arrange our transformed homeland so that we can live in it as well as possible and be respected by others. [applause]

The Czech Republic has its own democratic constitution, it has its parliament and government that have emerged from free elections, and from today it also has its own president. [applause] It has been recognized by many countries of the world, as well as by numerous international organizations. It is a free country, an independent and democratic country. All this is very important. But it is even more important that it is a country rich in spiritual and economic potential, a country that had been ruined by the preceding regimes, but it is a country of hard-working and inventive people, which has something to lean on and something to continue.

We certainly do not find ourselves on an empty plateau and we certainly do not have to start from zero. It is stated in our constitution that we want to continue all the good traditions of old Czech statehood, as well as Czechoslovak statehood. What traditions has our constitution in mind?

If we think about our history, we soon find that, emerging from the dramatic events that constitute it, there is always one particular and, no doubt, lucid motive, which comes to us from the work of such diverse personalities as, for example, St. Cyril and Methodius, Duke Wenceslas, Charles IV, Jan Huss, Jiri of Podebrady, Comenius, Palacky, Masaryk, and Patocka. This motive is trust in the truth, which requires personal guarantees, that is, truth as a moral quality, a desire for understanding, decency and tolerance, respect for people as unique beings, humility before the noble order of creation, a sense of coresponsibility for the general affairs of the human community, connected with a critical overview of them, and, of course, unshakeable determination for peace and, if possible, a peaceful solution to all disputes.

I think that if we manage to continue our good tradition we have nothing to fear. Recently, we have revived it, and I am sure this was not to our detriment. The humane way in which we shook off the inhumane regime received general acknowledgement. However, the revolutionary period ended and a period of everyday hard work began. To take care of what I see as our good traditions is uncomparably more difficult today than it was at the moment of the great historic turning-point and the enthusiasm that accompanied it. Therefore, such care is more necessary now. We will pass the tests still ahead of us with success and live to see a genuine stability and genuine prosperity only if the enormous changes of the system that we are implementing are accompanied and imbued with the spirit of decency, mutual respect, and solidarity; if, in other words, they are accompanied and imbued with the spirit of those ideals and values that can be rightly regarded as our good traditions.

At the same time this means constant struggle with bad traditions. For instance, spineless adaptability, provincial little faith, unrestrained greediness, and cynicism masquerading as realism. If these characteristics were to take over the climate of our social life, every one of us would suffocate.

We are creating a new legal order, a new political system, and a new economic system. It is great, demanding, and indeed, dramatic work. This work has, on the whole, been successful. But it need not necessarily continue to be successful unless it is accompanied by conscientious work on another, no less demanding, task. We must at the same time revive healthy coexistence within the family, in the village, at the workplace and in the national community. We must cultivate mutual relations and newly set our scale of life's values and a truly ethical foundation for all rules of civic and economic life including solidarity with the weak and the helpless.

I am convinced that the citizens of the Czech Republic are well aware of all this. I therefore believe that the Czech Republic has a bright future ahead of it. I believe that if we arm ourselves with patience, forethought, and prudence, we will cope even with the difficulties with which the enormous social transformation we are undergoing is yet to confront us.

I believe that we will soon become a country generally respected for its decency, responsibility, courage, and ingenuity. I believe that we will become an integral part of the family of advanced European democracies. [applause] I believe we will successfully cooperate with all our neighbors, too. I believe that we will retain truly deep, amicable, and cooperative relations with our closest neighbor, the Slovak Republic. I reciprocate the wishes they have extended to us: for stability, democracy, prosperity. [applause]

Dear compatriots, I promise you I will do everything within my possibilities and my power to contribute to a peaceful life for us all and to deserve your trust. [applause] I promise you that I will do my utmost so that your children remember our actions well when they grow up and take over the reins of life. [applause]

Dear friends, I want to be a good president of the Czech Republic. [applause]

Government To Announce Currency Split Date

LD0202153193 Prague CTK in English 1258 GMT 2 Feb 93

[Text] Prague, Feb 2 (CTK)—Czech Finance Minister Ivan Kocarnik has told journalists that the government will today announce the date when the Czechoslovak currency will split.

Earlier today, the Czech Parliament Chamber of Deputies passed a law on the currency separation.

Kocarnik said that the Czech-Slovak payments agreement, a necessary accompaniment to the currency split, is almost ready. But it must be approved by both governments and the Slovak Government is to meet only on Thursday [4 February], he said.

This means, Kocarnik said, that unless the Czech Republic reaches another agreement with the Slovaks today, the agreement will not be signed before Thursday.

According to Kocarnik, the agreement is based on the clearing principle. He also said that no figure has been definitively set for marginal credit, but 130 million ECU [European currency unit] (about 200 million USD [U.S. dollars]) is being considered.

The Czech Government will set the precise day of the division, the period during which banknotes will be exchanged, and the term during which cash withdrawals from bank accounts will be limited, through the issuing of a special decree.

The law sustained several modifications, two of them noteworthy. CTK has learned that deputies voted to add a provision, preventing the transfer of financial assets in Czechoslovak crowns from the Czech Republic to Slovakia, once the law takes effect. Banks and post offices will be obliged to return such orders to the sender.

The parliament also added an article, calling for the return of Czechoslovak crown payments destined for residents of the Czech Republic to Slovak banks, once the law takes effect.

Effective on the day the law takes effect, which will be when it is formally announced, only specially-stamped banknotes in denominations of 100, 500, and 1,000 crowns, unstamped banknotes in denominations of 10, 20, and 50 crowns, all coins and new Czech banknotes shall be legal tender.

Citizens who are permanent or long-term residents of the Czech Republic, or those who have been granted refugee status, will be able to exchange unstamped banknotes for newly-stamped notes at designated banks and post offices. A citizen will have to present identification in the form of an identity card, residence permit or other acceptable document.

Individuals over 15 years of age will be allowed to exchange up to 4,000 crowns (about 135 USD) at once, while those under 15 will be able to exchange up to 1,000 crowns (about 33 USD) at once.

Foreigners will be able to exchange their old banknotes at offices of the Czech National Bank and selected branch offices of other banks, upon presentation of a passport and previous exchange receipt.

Businesses and companies will be able to exchange all of their outstanding old banknotes in one stroke.

Banknotes that were unable to be exchanged due to some special circumstance within the proscribed time limit, will be exchanged by the Czech National Bank within six months at the latest.

Due to the exchange of banknotes, cash withdrawals from bank accounts will be limited for a maximum period of seven days.

Currency To Separate 8 Feb

LD0202181893 Prague CTK in English 1755 GMT 2 Feb 93

[Text] Prague Feb 2 (CTK)—The currency of the Czech Republic will be separated from Czechoslovak currency by Monday, February 8, under a Czech Government decree issued today.

The decree on the enforcement of the law on the currency split says that Czech citizens will be able to exchange banknotes liable to stamping (100-, 500-and 1,000-crown banknotes) between February 4 and 7. Foreigners can have their Czechoslovak banknotes exchanged at the Czech National Bank branches and at other selected bank branches between February 7 and 9.

Banknotes owned by companies and private business owners will be exchanged in banks between February 8 and February 9. If technical conditions permit, banks may carry out exchanges for them already on February 7.

On February 4 drawing out money from bank accounts and savings books will be limited both for Czech citizens and foreigners for seven work days at most, for companies and private business owners until further notice, unless money to pay out wages is involved.

Monetary Union With Slovakia To End

LD0202201593 Prague CTK in English 1949 GMT 2 Feb 93

[Text] Prague Feb 2 (CTK)—The Czech and Slovak Republics have reached a mutual decision to terminate the monetary union agreement between the two republics as of February 8, Czech Premier Vaclav Klaus said today in a televised announcement.

The two republics will establish further economic cooperation on the basis of independent national currencies, he said.

Klaus said that the division of the common currency is a purely technical measure aimed at converting the Czechoslovak crown into a Czech crown of the same value. He assured citizens that no one, no citizen or any other subject, will be harmed in any way by this measure.

Klaus said that the common currency played a positive role in the past few weeks. It helped, he said, to prevent the uncertainty and panic which would have threatened the stability of the country in the critical moments during and especially immediately after the division of the state to maintain the faith of the population in the stability of their earnings and savings and to begin building the technical and organisational conditions necessary for the creation of two independent currencies.

Klaus noted that the economic situations in the two countries are distinct, and that perspectives of their future development also differ. He said that both countries must begin to realise their own goals by different means, which can no longer be guided by the existence of a common currency.

In connection with the process of the currency division, the premier explained that in four days, from this Thursday [4 February] to Sunday, all citizens will be able to receive stamped banknotes in exchange for up to 4,000 crowns in cash per person in all branches of the Czech Savings Bank (Ceska Sporitelna) and in all post offices. An amount of 1,000 crowns per child up to 15 years of age may also be exchanged. Citizens may deposit cash above this limit into accounts in any monetary institution or send it by money order to their own or another address. After the currency separation has been carried out, stamped banknotes will be exchanged for these funds without any limits.

Klaus said that only this set amount of cash may be exchanged because there is a temporarily limited amount of stamped money.

Klaus Addresses Nation on Currency Separation

LD0202211793 Prague Radiozurnal Radio Network in Czech 1903 GMT 2 Feb 93

[Address to nation by Premier Vaclav Klaus on currency separation—live]

[Text] Dear fellow citizens: On 1 January two sovereign states, the Czech Republic and the Slovak Republic, emerged. For us, the division of the common state has been caused by long-standing Slovak efforts to achieve their own Slovak sovereignty. These efforts were later clearly expressed in the June election last year. In all negotiations with the Slovak political representation, we were driven by the effort to respect this legitimate will of the inhabitants of Slovakia, and at the same time to allow scope for the closest mutual cooperation, and also by the will to maintain the traditional friendship that has linked our two countries.

The result of this mutual effort has been the concluding of a whole range of agreements which secure the continuation of good relations in all spheres of life of the now sovereign states. The most significant agreements have been concluded in the economic sphere. We have set up a customs union, which guarantees the continuation of a unified economic space on the territory of the former CSFR. We have also concluded an agreement enabling temporary functioning of common currency in both republics. The conclusion of this agreement had great importance for a calm division of the state and for normal functioning of both economies in a situation where neither of the republics was ready to introduce its own national currency. We have never concealed that this was a temporary solution, which would have to be replaced by the introduction of two national currencies, Czech and Slovak.

To maintain a common currency while two independent states exist is extremely difficult. It has been clear from the beginning that the common currency would not last too long. The common currency has played an indisputably positive role in the last few weeks. Uncertainties and panic could have threatened the stability of the country in the critical moment of division, above all just before the division happened. The trust of the population and the stability of their incomes and savings have been successfully preserved. It has been possible to start creating technical and organizational conditions for the emergence of two independent currencies.

At present, the common currency has for a number of reasons produced adverse consequences for both republics. The economic situation in the two countries is different. The prospects for their future development are different too. Both countries have to begin to realize their own goals by means of different procedures. These, unfortunately, cannot be undertaken while the common currency exists. The uncertainty regarding the future currency set-up and the future payment contacts between the two countries, has, moreover, led to speculative behavior in our country and has also brought on uncertainty in some of our foreign partners. This has damaged the economic relations both countries have with other states.

Due to this situation, both sides have decided after mutual agreement to terminate the validity of the agreement on currency union between the Czech and Slovak republics as of 8 February 1993; and to base future economic cooperation between the two states on separate national currencies. At the same time, we will create conditions for mutual payment contacts, which will prevent our trade relations from damaging and attenuating our trade relations.

Esteemed fellow citizens, I would like to assure you that this separation of the common currency is at this stage merely a technical measure whose aim is to transform Czechoslovak crowns into Czech crowns [koruny], which would be equal and carry full value. Slovakia will proceed in similar fashion.

I would like to assure you that by this measure nobody, that is no citizen or subject, will suffer loss in any way. The whole process of the currency separation is rather demanding from the point of view of organizational preparation and demands discipline from all of us. In the course of four days, from Thursday to Sunday, all citizens will be able to exchange cash worth up to 4,000 crowns per person and up to 1,000 crowns per child under 15 years of age for stamped banknotes of the same value, at all branches of the Czech Savings Bank and at all post offices. You can deposit money above this limit on your account right at the place of exchange, or send a money order to your address or another address. After the execution of the currency separation, that is after several days, and I stress only a few days, you will be given, without any restrictions, stamped banknotes in exchange for your remaining money [above the limit]. The sole reason why you will only be given the aforementioned amount in cash is the temporarily limited amount of currency that has already been stamped.

After the currency separation, payments contacts with the Slovak Republic will be carried out through a clearing agreement, while in normal tourist contacts direct exchange of national currencies will exist. You will be thoroughly acquainted with the details of the organization and conditions for the exchange of money in the coming days and hours by all mass media.

Esteemed fellow citizens, I would like to ask you to adhere to the conditions that will be announced for the exchange of money and to act upon them. Only in this way can the whole action be implemented in a calm and dignified manner and without any complications.

Central Bank To Settle Hungarian Koruna Accounts

AU0202161393 Prague CTK in English 1907 GMT 30 Jan 93

[Text] Prague, Jan 30 (CTK)— The substitution of Czechoslovak crowns deposited in Hungarian banks with Czech and Slovak currencies will be discussed with the Hungarian National Bank on February 4 in Budapest, Martin Svehla of the Czech National (central) Bank told CTK today.

He said that the Hungarian National Bank has invited representatives of the Czech and Slovak Republics' central banks to discuss measures connected with the envisaged end of the Czechoslovak currency and introduction of new Czech and Slovak crowns. He added that Czech National Bank representatives will attend the meeting.

About 60 to 80 million Czechoslovak crowns (2.1 to 2.8 million USD [U.S. dollars]) are deposited in Hungarian monetary institutions and held by individual citizens, according to the Hungarian National Bank's estimates. If this is the amount of money at stake, Svehla said, there will be no problem in settling accounts as it is a comparatively small sum.

He said that Hungary is the only country with whom the former Czechoslovakia had concluded an agreement on the use of national currencies in noncommercial payments. He said that due to tourist traffic, certain reserves of Czechoslovak crowns have been accumulated in Hungarian banks while Hungarian forints have accumulated in Czech and Slovak banks.

Zieleniec Views Havel's Statement on Bosnia

AU0202192293 Prague MLADA FRONTA DNES in Czech 1 Feb 93 pp 1, 2

[Interview with Foreign Minister Josef Zieleniec by Tomas Klvana; place and date not given: "National Interests Are Not Selfishness"]

[Text] President Vaclav Havel said in an interview for CTK that he was in favor of international military intervention in Bosnia and Hercegovina, and he added that the Czech side should raise a strong and unequivocal voice on that matter. According to the Constitution, it is within the jurisdiction of the government to issue binding statements. The member of the cabinet who is directly responsible for foreign policy is Josef Zieleniec.

[Klvana] What is your opinion on the solution to the crisis in former Yugoslavia?

[Zieleniec] It is very important for us to find the correct position on that matter. We should think more about this complicated problem. The Balkans—where three civilizations meet: West Christian, East Christian, and Islamic—have given rise to great conflicts, not only once in history. The feeling of impotence in the international community stems from the knowledge that unilateral intervention in this situation could set half of the world on fire.

[Klvana] What significance does the president's statement have from the point of view of Czech foreign policy?

[Zieleniec] The international community has only limited means at its disposal in this war. Nothing can be solved in one statement, with one gesture. A country that wants to retain respect in the world must take care that its statements and gestures are commensurate with its possibilities. If there are no actions and no specific help behind these gestures, they are empty. On the territory of former Yugoslavia, we have almost 500 soldiers in the UN peacekeeping forces. We have observers there and we have accepted quite a large number of refugees. Recently, we discussed with Minister Baudys about the preparation of a field military hospital, logistic help, and combat units for yet another peacekeeping operations. If you relate all this to our size and possibilities, the Czech Republic is one of the most active countries as regards the events in former Yugoslavia. It is unjust to say that we are not active enough or that we have not adopted a standpoint.

[Klvana] Vaclav Havel is of the opinion that in the concept for Czech foreign policy, the words "Czech interests" appear too often. "We would be serving our own interests best by showing that we are not indifferent to what is happening around us," he said.

[Zieleniec] National interests are a key concept of Czech foreign policy. Foreign policy must, as any other meaningful human activity, be aimed at something. National interests must be this something. National interests are part of the theory of foreign policy, as well as fractions are a part of mathematical theory. From this it does not ensue that foreign policy must be selfish. Peace in the region and respect for human rights is in the interests of civilized countries. There is no conflict between responsibility for what is happening in our neighborhood and pushing for Czech interests. However, if we stressed only the ethical dimension in politics, it would be a mistake. In today's world, countries and nations compete—in a peaceful way, though—for economic resources, respect, and their position in the world. We must take into account the functioning of real mechanisms of relations between countries.

[Klvana] In an interview for LA LIBRE BELGIQUE, the Czech president ranked himself among the great supporters of European integration, and he added that the president and the government may differ over this issue. Is there really a difference between you?

[Zieleniec] I hope there is none. The prime minister and I, too, are supporters of European integration, about which there is a discussion in Europe. Should it be a country with a strong center, which decides on everything, or a union of states who only cede essential powers to the center? The fact that we are taking part in that discussion, as are the Danes, the British, and the French, that we are not waiting silently behind the doors like the other applicants for membership in European institutions, testifies that we feel part of Europe, that we care what kind of house is being built now, a house in which we are going to live one day. Moreover, we know well what the situation looks like when a well functioning parliament has no control over a strong bureaucracy. Our experience acquired in the past can be a valid contribution to this discussion.

[Klvana] President Havel, in his interview for CTK, also said that the binding position of the Czech Republic on the war in Bosnia and Hercegovina will become the subject of his discussion with the Foreign Ministry....

[Zieleniec] I, too, have read this sentence. However, I am convinced that this is a gross distortion of what Vaclav Havel actually said. Of course, I would be very happy to have an opportunity to discuss or consult on various matters with the president. On the other hand, according to the Constitution and laws ensuing therefrom, it is within the jurisdiction of the government and the foreign minister to issue binding statements in the sphere of foreign policy, and it is my duty, as a constitutional official, to respect these legal norms.

CSSD Approves Draft of New Party Program

AU0202151993 Prague CTK in English 2035 GMT 31 Jan 93

[Text] Prague Jan 31 (CTK)—The Central Executive Committee of the Czechoslovak Social Democratic Party (CSSD) today approved a final draft of its new program, CSSD Chairman Jiri Horak told journalists at the close of the committee's two-day meeting.

He said that in every country of the world Social Democrats ought to have a program which will be an alternative (to that of the ruling party's) as they sooner or later will come to power either on their own or as part of a government coalition.

Horak said the draft program the committee will present to a CSSD congress will not be confrontational in nature. It will be a program based on Social Democratic traditions, which takes into account positions and practices of our sister parties in the West and contains elements of the Socialist International—freedom, justice, and solidarity.

CSSD Deputy Chairman Petr Moravek said the economic part of the program will be further worked out by an expert commission and should be completed by February 2 at the latest.

Referring to the secret meetings between Czech and Slovak Premiers Vaclav Klaus and Vladimir Meciar last week, Horak said he resolutely opposes any kind of secret talks. At a time when a democratic state is being built, he said, negotiations should be open, especially to the mass media.

Coalition Party Seeks Republic's NATO Entry

AU0202161693 Prague CTK in English 1942 GMT 30 Jan 93

[Text] Prague, Jan 30 (CTK)— The Czech Christian Democratic Party (KDS) will soon initiate coalition negotiations aimed at naming its chairman, Vaclav Benda, to the post of Czech Republic deputy premier, the chairman of the KDS deputy group in the Czech parliament, Marek Benda, told CTK today.

The KDS' Executive Committee, meeting here today, also called on other parties to take the political initiative to promote the Czech Republic's entry into NATO at the earliest possible time. Unlike the Czech Republic's alignment with the European Community (EC), we view the entry of our state into NATO as more a problem of political stability... than a problem of (economic) adaptation, which in relation to the EC is a very lengthy process, Miroslav Tyl, first deputy chairman of the KDS, said.

Spokesman Explains Sudeten German Party's Aims

AU0202193293 Prague MLADA FRONTA DNES in Czech 29 Jan 93 p 7

[Report by Jan Cech on an interview with Lubomir Duda, spokesman for the Sudeten Democratic Party on 28 January; place not given: "Germans from the Border Areas Are Not Seeking Confrontation"]

[Text] The situation surrounding the Plzen-based Sudeten Democratic Party [Demokraticka Strana Sudety] is being needlessly dramatized, Lubomir Duda, one of the party's founders and its spokesman, declared in an interview for MLADA FRONTA DNES yesterday. He also called into question the motives of Sudeten Democratic Party [DSS] Chairman Jaroslav Bluehmel's emigration to the FRG: "As far as I know, he has not been physically attacked for his by-now famous statements on television about possible civic disobedience if the claims of Sudeten Germans to property in Czech border areas are not satisfied. He mentioned to me only a few telephone threats; as for myself, I have not been threatened by anyone," Duda added.

According to its spokesman, the DSS does not seek confrontation. It wants, above all, to promote a solution to the longstanding ethnic and property dispute between Czechs and Sudeten Germans in a way that is acceptable to both sides and in the spirit of international agreements on human rights and humanitarian issues. It insists on the republic's integrity and will not permit the deportation of Czechs who live on the territory of the former Sudetenland, or the confiscation of their property.

After the CSFR's partition, the DSS has between 600 and 700 members and therefore it cannot apply for registration with the Ministry of the Interior. The party caused its first major turmoil at its meeting in Plzen on 5 January when, in the presence of their German adviser Klaus Jarosch, members of the DSS Preparatory Committee called for the abolition of the Benes decrees, on the basis of which Sudeten Germans were deprived of their property and had to leave Czech territory. "True, it was said at that meeting that the best thing would be if the Czech Government generously returned to the Sudeten Germans their property as far as possible," Duda continued, "but at the same time we said that the Sudeten Germans are ready to purchase property here, especially in the border areas. They would use the acquired property to open businesses, from which Czechs would also benefit."

The DSS spokesman sees no reason why he or any other DSS functionary should emigrate to the FRG. He conceded that Jaroslav Bluehmel would probably be recalled from his post next week. The German side inquired as to what Lubomir Duda knew about the alleged physical assault on the DSS chairman: "I told them that a physical assault was out of the question."

[Prague MLADA FRONTA DNES in Czech on 30 January on page 2 carries a 100-word CTK report quoting DSS spokesman Lubomir Duda as saying that, after an unsuccessful attempt to apply for political asylum in Austria, DSS chairman Jaroslav Bluehmel has asked the Paraguayan Embassy in Vienna for political asylum in Paraguay. The CTK report adds, however, that the Paraguayan Embassy in Vienna "did not confirm" Duda's words.]

Meciar Sends Message to Havel on Election

AU0202184993 Bratislava PRAVDA in Slovak 29 Jan 93 p 2

[TA SR report: "Congratulations to Vaclav Havel"]

[Text] Bratislava— The Slovak Prime Minister's Office yesterday made available to TA SR the text of the telegram that Vladimir Meciar had sent to Vaclav Havel on the occasion of his being elected president of the Czech Republic. The telegram states: "Your Excellency, Esteemed Mr. President: Allow me to congratulate you in the name of the Government of the Slovak Republic on your election to the post of president of the Czech Republic. I trust that you will apply your political and international experience as a statesman to the benefit of all citizens of the Czech Republic. I dare express my sincere conviction that as the highest representative of the independent Czech Republic, with which the Slovak Republic is bound not only by a system of treaties but also by special historical and human ties, you will do everything you can for Slovak-Czech relations to develop on the basis of friendship, mutual respect, and comprehensive cooperation." Vladimir Meciar will not attend the inauguration of the Czech president for urgent work-related reasons that prohibit him from leaving Bratislava.“

Meciar Updates Debate Over Currency Split

LD0202154793 Prague Radiozurnal Radio Network in Czech 1400 GMT 2 Feb 93

[Report by correspondent Alexandr Picha]

[Text] The Slovak parliament is debating the currency separation bill behind closed doors. Journalists were not even allowed to enter the building. Information can therefore be obtained only in the lobby from passing Slovak officials.

The only information brought out from the Slovak parliament so far is that Slovak Finance Minister Julius Toth has already briefed deputies on the currency separation bill at the joint session of the committees. The bill was also debated in the meetings of Slovak political parties.

Prime Minister Vladimir Meciar is reportedly also in the Slovak parliament building. The currency separation bill has not been passed yet, but according to Anton Hrnko, deputy for the Slovak National Party, Slovak citizens can begin making payments with Slovak stamped banknotes as of Thursday [4 February].

There has been no announcement about a news conference after the Slovak parliament session or after the currency split is approved. Prime Minister Vladimir Meciar should talk about the final rules of the currency division and the launching of the Slovak koruna on Slovak TV this evening at 2000.

Slovak officials anticipate a 15-percent drop in goods exchange immediately after the currency split. Slovak Economy Minister Ludovit Cernak said today that the major drop in mutual trade would last for the first three to four weeks.

Currency Separation Bill Approved

LD0202180593 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1730 GMT 2 Feb 93

[Excerpt] No need to worry about there not being any news. In my hands I am holding a flash item from TA SR. It says: Shortly before 1800, the plenum of the National Council of the Slovak Republic approved the government-sponsored bill on currency separation. [passage omitted]

Meciar Announces Currency Split

LD0202214893 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1900 GMT 2 Feb 93

[Address by Slovak Prime Minister Vadim Meciar to the nation in Bratislava—live]

[Text] Good evening, fellow citizens. The National Council of the Slovak Republic at its special session today passed the bill on the transition of the Czechoslovak currency to the Slovak currency.

The National Council of the Slovak Republic, at the same time, empowered the government to pass an implementation government order. The Government of the Slovak Republic is in session at the moment and it has passed the implementation government order.

The National Bank of the Slovak Republic is taking similar steps. At the same time, according to the agreement with the Czech side, the citizens of the Czech Republic are being addressed by Czech Premier Klaus with regard to the same information. The seriousness of the decision, the seriousness of the contents, has resulted in my not taking part in the inauguration of the president of the Czech Republic, about which the Czech side knew beforehand and with which it agreed, so that all doubts are immaterial.

During the birth of two independent states we have based on the intention to preserve common market space, to maintain good neighborly relations—that is why we concluded an agreement on the customs union, and we also concluded a multitude of other agreements.

A significant role in these agreements was played also by the agreement on currency cooperation, it was not a currency union. While concluding it, the two sides have said that it is a process thath can be influenced by an unexpected development even before the intention of both sides to abolish the common agreement.

The development which was going on at the end of last year and in the beginning of this year has led towards a sharp fall of currency stocks in both the Czech and the Slovak Republics. While, for example, in 1992 it was

$900 million, in the first two decades of this year it has been $600 million. Many people and institutions which invested money started speculating with it, we were losing credibility abroad. It would have been difficult to win resources to maintain new currency. The situation that has arisen has led the republic governments, experts, and national banks to consider other possibilities for a solution. It led towards the governments being forced by the development of the situation to submit to the national councils draft bills that were passed, and which meant cessation of the Czechoslovak currency and birth of a new currency—the Slovak koruna.

In accordance with the decision of the Government of the Slovak Republic, the Czechoslovak currency will cease to exist on Sunday [7 February] at midnight, and the Slovak currency will come into effect at midnight on 8 February, 1993.

For this operation to be implemented, a number of organizational measures is being adopted. Exchange of money will take place in special locations that will be specially marked. These will include, above all, branches of the savings banks, branches of the general credit bank, and post office branches.

In Slovakia over 2,300 exchange points will be at your disposal for you to carry out your exchange during the days that have been set out for citizens. The state has no interest to get from the citizens any money by any dishonest manner and wants to make it possible for all the citizens to carry out the exchange of money properly. That is why it will receive deposits from citizens, that is why it will receive payments from citizens, that is why it will be possible to send money by postal orders to oneself during the period bridging these days so that the entire process of the exchange might be finished by midnight on Sunday.

The exchange will start early Thursday morning. All adult citizens will have the opportunity to change 4,000 koruna per person. Where there are more adults in the family, one member can change money for the others, but must prove his identity by his identity card or some other document that replaces it, and the exchange will be recorded on the last page of the identity card by a stamp and a signature. You may change money only once.

Those who did not have time to deposit money in saving banks and did not heed the advice that we had given them will be able to use their money by purchases, deposits, or some other suitable means.

Starting at midnight on 8 February, stamped banknotes will become a legal tender on the Slovak Republic's territory. These will be 1,000, 500, 100, 50, and 20 koruna banknotes. Ten-koruna banknotes have not been stamped in the Slovak Republic. They will be gradually replaced with metal coins. Banknotes bearing this stamp are a legal tender and will be in circulation for the period of up to one year, or until the National Bank of the Slovak Republic prepares its own legal tender, which will be gradually put into circulation by pulling out from the circulation the old ones and by continually replacing them with the new ones.

This entire operation is extremely complex and demanding in terms of time because it requires that, the citizens, patiently exchange at exchange points the money you have. This operation will require that the possibility to withdraw savings from the bank be restricted for a certain period of time. It is not that we would have dishonest plans for your money, but not enough money has been stamped so that we could make it possible for you to withdraw all your savings immediately the next day.

This operation will inevitably deal with giving a chance to the companies, which have cash at their disposal, to exchange their cash on Saturday and Sunday. Over an extended period, businessmen and legal entities will be able to effect cash payments only up to 10,000 korunas. A general relaxation will come come into effect only later.

During my talk on Sunday I told you that concurrently with the (?measures) related to the exchange of money, there will be certain changes in the Slovak Republic foreign currency laws. The National Council of the Slovak Republic approved today the change of foreign currency law, according to which each citizen of this republic has the right to request an establishment of a foreign currency account or a savings book in any currency. This currency account will be at his or her free disposal. The new thing is that anonymity will be guaranteed for all who establish these accounts. With regard to doubts that this could provide grounds for making illegal money, then these will be addressed when this money actually appears. Today, the state is giving guarantees to all those who have foreign currency that they can deposit them in monetary institutions.

Esteemed citizens, to carry out the operation of such complexity within four days, when the time you have boils down in effect to Thursday, Friday, and Saturday, requires civic discipline and understanding of the gravity of the situation. It also requires good organization.

On the part of the state, the organization will be secured by thousands of people. They are prepared and tomorrow all of them will be in the state of readiness. I implore you to accept these measures with understanding and sympathy and to make their implementation possible by your attitude.

The talks with the Czech side related to the future payments system and to settling our future financial relations are still continuing. If decisions are not made within the next few hours, then they will be made within the next few days. I shall inform you about it in the coming period.

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The government also instructed its officials, who participated right from the beginning in preparations for money exchange that, in tomorrow's broadcasting of

Slovak television and radio and on the media which will show interest, they should give full and comprehensive information about the progress of this process.

I thank all of you for your hitherto attitude to this awaited change. It is our interest that among your certainties are the results of your work expressed by the money you have gained and that this money is preserved for you. This is the primary objective of the Slovak Republic Government.

Once again, thank you for your understanding. I am confident in a fruitful and useful cooperation on both sides in the days to come.

Japan Establishes Diplomatic Relations

LD0302113093 Prague CTK in English 1048 GMT 3 Feb 93

[Text] Tokyo, Feb 3 (CTK)—Japan today established diplomatic relations with Slovakia, the Japanese Foreign Ministry announced here.

Japan established formal ties with the Czech Republic last Friday [29 January], though it recognised both republics directly upon their assumption of independence, January 1. According to the Japanese Foreign Ministry, the Japanese embassy in Prague for the time being will continue to represent Japanese interests in Slovakia.

The Czech and Slovak republics will both operate out of the former Czechoslovak embassy building in Tokyo.

Japan promised Czechoslovakia loans of 200 million USD [U.S. dollars] in 1991, the KYOTO News Agency reported. Some 150 million USD have already been made available and the remainder will be divided between the Czech and Slovak Republics, following a 2:1 ratio.

* Frozen Danube Deepens Problems at Gabcikovo

93CH0308B Bratislava UJ SZO in Hungarian 11 Jan 93 p 1

[Unattributed article: "Field of Ice in the Canal"]

[Text] The Pozsony [Bratislava] State Navigation Directorate prohibited ships to enter the Danube between the 1,862- and 1,852-km markers, as well as the headwater canal of the Bos [Gabcikovo] hydroelectric power plant. This statement could be read in the Friday report of the Slovak Press Agency. We were not satisfied with this report; therefore, on Friday, we left to see the situation ourselves.

The Keszolces [Kyselica] ferry station was our first stop. A sign on the door indicated that navigation had been suspended because the canal froze. Nowhere could we see the ferry boat, and the canal was indeed a huge field of ice as far as the eye could see. Thus we were forced to continue our journey through Bos, because we also wanted to look around in the villages between the two Danube branches, and this meant a detour of well over 40 km.

When crossing the Bos bridge there was frozen silence instead of the humming we were accustomed to. The tower of a floating crane once again reached toward the sky above the gate of one of the lock chambers. It was still being repaired. At the end of the bridge, "frustrating the vigilance of the 'vigilant, grouchy dam guards'—the black sheriffs—we managed to take a few pictures of the canal filled almost to the rim by ice and water."

Upon our arrival at Vajka [Vojka nad Dunajom] our first trip took us to the ferry, but we found only its "cold" (frozen) place as well as the sign we already saw in Keszolces. We stopped at the municipal office thereafter, to find out whether they knew anything about the vanished boat. Village mayor Laszlo Nagy readily provided the information: "You were looking for the ferry boat in vain, because it was stuck in the ice already on Wednesday, and then the ropes that held the boat tore loose. The ice-breaker Brezno of the Danube Regulation Enterprise made an attempt to free the boat, but the maneuver was successful only after another, Hungarian ice-breaker arrived from Austria and provided help. The same day they towed the ferry boat to the tail water canal at Bos. They said that the ferry boat would spend the winter there." Nagy also said that they were not overly concerned about the disappearance of the ship, because, for the past two months, the name of the yearned-for ship once believed to be capable of redeeming the situation has faded in the eyes of the villagers: "By now, people in Vajka refer to it as the limbo-coach. It broke down very often, a little fog or a strong gust of wind sufficed for the ferry not to start and to fail to carry workers to their jobs; thus people continued to make the detour through Bos by bus, because—quite naturally—employers did not accept justifications for consistent late arrivals based on windy conditions and the resultant lack of a ferry boat. On the other hand, the management of the Water Resource Management Construction Enterprise announced that the state is not going to continue subsidizing and providing grants for the travel of the island residents, because they agreed to do so only until the ferry boat was placed in operation."

The transportation enterprise could raise the bus fares at any time. Whenever citizens of the three villages that suffered most from the hydroelectric power plant (Doborgaz [Dobrohost], Vajka, and Nagybodak [Bodiky]) want to travel to Pozsony they will also have to pay for the 80-km detour. Here you have something for your eyes: a "limbo-coach" instead of a ferry boat.

The last leg of our journey took us to Doborgaz, where we were able to admire another "gentle on the environment" construction project of the Hydrostav enterprise. They are building a canal at the edge of the village; once finished, the canal is supposed to provide water to the Danube branches that had dried out as a result of diverting the river. The canal includes a 1.5-m-diameter pipe which people from Doborgaz must climb over if they want to see the old Danube. The path followed by Hydrostav is marked by cut trees and a desolate scene.

We did climb over the pipe. We found hardly any water in the Danube basin. According to Mr. Binder, ten times the volume of water specified in the 1977 agreement resembled a brook, this, however, was full of water-fowl. Apparently, the birds were unaware of the fact that the headwater canal was supposed to be the Garden of Eden for animals. We did not see any ice there.

It would be nice to know how long the silence of, or, at best, the disinformation broadcast by the Slovak communications media about the Bos power plant will last. No one is interested in the fact that navigation had to be brought to a halt because the operators were unable to remove the ice that accumulated in the headwater canal. Thus navigation has come to a halt and they are unable to produce electricity: All they do is to break the ice.

Julius Binder, the father of the hydroelectric power plant, could easily use the high-sounding title given to Alexander Nyevskij, one of his Slavic predecessors: "The Knight of Ice Fields."

Thanks to warmer weather, only a thin layer of ice could be seen in the canal on Sunday, but the suspension of navigation continued.

Knazko on Dispute With Meciar, Foreign Policy

AU0202212993 Bratislava NARODNA OBRODA in Slovak 29 Jan 93 pp 1, 2

[Interview with Foreign Minister Milan Knazko by Ivan Horsky in Bratislava; date not given: "Let Us Stop Fighting—Let Us Begin To Work"]

[Text] On Wednesday [27 January], after the Movement for a Democratic Slovakia [HZDS] candidate failed to win in presidential elections, there was a tough dispute between Prime Minister Vladimir Meciar and Milan Knazko, the deputy prime minister and foreign minister. In the office of the prime minister, the telephone lines were dead. Only after some investigation did we learn that the prime minister was sick. Other sources told us that Vladimir Meciar had left for Davos in Switzerland. Milan Knazko, however, granted us an interview.

[Horsky] After the failure of the HZDS candidate in the presidential elections on Wednesday, Prime Minister Meciar directly accused you of causing a split within the movement, and he said that the only thing you were concerned with was your personal success. You reacted immediately with a statement. After 24 hours, you both cooled down.... Have you changed your position?

[Knazko] The statement that I persuaded deputies not to vote for Roman Kovac is false. I simple repeated what is notoriously known about me—that is, my opinion of the president. Even though the prime minister said that my activity will be investigated by the political body called the Arbitration Commission—my statements do not contradict the resolutions issued by the party leadership—I thought it proper to present my standpoint. However, I have never named any specific name [as a presidential candidate], or tried to persuade any deputy that he should not vote for Roman Kovac. This is why I must describe all this as a gross distortion.

[Horsky] It this a Meciar-Knazko war?

[Knazko] I do not see this situation as a war, nor as a split within the HZDS. We are a movement, and everyone is entitled to his own opinion. I firmly believe that this is the way it will also be in the future, and that we will have an opportunity to express these opinions freely. I am not organizing anything within the HZDS, and there is no faction behind myself or Meciar.

[Horsky] For a certain period of time, it could be heard in the lobbies that you might be dismissed from the post of head of Slovak diplomacy. One of the reasons is the disapproval of the concept of Slovak foreign policy, as drafted by your office, and your incapability or inability to cope with your tasks.

[Knazko] I hear various things around me, but I would not attribute much weight to them. I must admit, however, that there were many incompetent objections to the concept. The less competent they were, the more radical they became. For this reason, I thought it necessary to put these conceptual intentions forward for general social discussion by the political parties and institutions which deal with foreign policy.

[Horsky] ....In this connection, there appeared an article in LE MONDE, the author of which did not forget to stress that during the reception of Mr. Dumas by Prime Minister Meciar, "the chief of his secretariat, Mrs. Nagy, did not allow the acting chief of the French diplomatic mission in Bratislava to enter...."

[Knazko] This is one of the dozens of incompetent attitudes toward foreign relations. I draw attention to the fact that such things cannot go unnoticed by the French side. Unfortunately, my comments were not accepted. If there are more things like that, it may happen that Slovakia will be perceived by the world as an untrustworthy partner, since all the countries with a democratic internal regime are striving for a unified foreign policy. They try not to create room for speculations about existing or fictitious differences. Slovakia cannot afford this luxury.

[Horsky] Does that mean that there is no diplomatic war between Meciar and Knazko?

[Knazko] I do not understand is as a war. I do not want to fight against anyone. As you have noticed, I do not issue any tough or radical declarations. On the contrary, I believe that we must stop fighting and devote our time to solving the most topical problems—that is, the problem of the transformation of the economy. To put it simply, we must begin working, working as a team. We have no fairy godmother who could raise her magic wand and save the entire nation—and at whose feet all the grateful ones would lay their gifts.

This is the stuff of fairy tales. Today, we must open the doors of our political offices, we must open our doors to experts at solving economic problems—to those experts who still remain here—and to use their brains.

[Horsky] ....Excuse me, but this also applies to your sector, to appointing ambassadors, in particular.

[Knazko] Diplomatic positions must not become centers where people who have certain merits would be concentrated, or where people who spoke their mind would be sent—to get rid of them from politics, to move them far from here. These must not become criteria used by a democratic society.

Criticizes Meciar for 'Secret Meetings'

AU0202161993 Prague CTK in English 1522 GMT 30 Jan 93

[Text] Bratislava, Jan 30 (CTK)— I see no reason for working visits to be turned into detective stories cloaked in secrecy, Slovak Foreign Minister Milan Knazko told CTK today, referring to two secret meetings between the Czech and Slovak premiers in past weeks.

He said he neither sees a reason for talks concerning agreements on the Czech and Slovak Republics' interstate relations be held one-on-one. Such problems should be discussed by teams of experts, he noted.

For me it is surprising, for example, that only Slovak Premier Vladimir Meciar was present at a meeting with Czech Finance Minister Ivan Kocarnik while the Slovak finance minister, judging by his words, did not even know about the meeting, said Knazko. He said that such an approach rightly arouses the general public's nervousness, given already tense current situation.

It is not unusual for government figures to meet unofficially for working meetings, he said, adding that there are many reasons for such talks given current Czech-Slovak relations. As far as the Slovak Foreign Ministry is concerned we act strictly according to accepted regulations, Knazko added.

He said that at present the ministry is preparing for an official visit to Bratislava by Czech Foreign Minister Josef Zieleniec.

Differences Not Confrontational in Nature

AU0302142293 Prague CTK in English 0918 GMT 1 Feb 93

[Text] Bratislava, Feb 1 (CTK)— Slovak Foreign Minister and Deputy Premier Milan Knazko in an interview with the daily SME says that differences between him and Slovak Premier Vladimir Meciar, which have lately surfaced, are not of a confrontational nature. They are rather disputes over the approach towards serious political problems, says Knazko. He adds that democratic life within the ruling Movement For a Democratic Slovakia (HZDS) of which both himself and Meciar are leading figures, and the HZDS external policy are at stake.

Knazko does not feel to be threatened by the current dispute. Referring to Rudolf Filkus, HZDS' council chairman and one the HZDS's leading economists, who lately admitted that he has been put aside from politics to diplomatic services, Knazko says: Filkus has unambiguously demonstrated different political views and therefore it was easier for the premier to send him to the diplomatic services.

Knazko says he is not aware who of Slovak politicians will take part in Tuesday's inauguration of Vaclav Havel as Czech President because currently he does not have contact with the Slovak Premier who had excused himself from the ceremony.

Unions Threaten To Break Social Peace Commitment

AU0202134193 Prague CTK in English 2024 GMT 31 Jan 93

[Text] Bratislava, Jan 31 (CTK)—Representatives from the Confederation of Trade Unions of the Slovak Republic (KOS SR) want to meet with Slovak Government officials within three weeks at the latest, to convey their opposition to the government's social policies.

Union representatives from across the republic held talks here today, during which they distanced themselves from their commitment to maintain social peace. The government and employers are responsible in equal part, with trade unions, for maintaining social peace. Government representatives must realize this, the Confederation's chairman, Alojz Englis, told Slovak Radio today.

Union representatives are protesting the Slovak Government's failure to include some of the unions' proposals when it approved the republic's 1993 state budget. They warned that they would take additional steps if the government did not respond to their demands.

Among the unions' demands is that the government pay out a cost of living allowance to all citizens of the Slovak Republic. This is a matter which must be resolved immediately, Englis said.

HZDS Strategy Blamed for Failed Elections

AU0202111993 Bratislava NARODNA OBRODA in Slovak 28 Jan 93 p 3

[Commentary by Julius Gembicky: "Delay of Presidential Fanfares"]

[Text] The Reduta Hall will not pulse with life tonight. The festive presidential fanfares from the opera Svatopluk by Eugen Suchon will not resound here. The

20-cannon salute will not boom from Petrzalka embankment. The presidential standard will not be hoisted at the Castle. The oath, the inauguration speech, the review of the honor guard, and the international news conference of the Slovak president-elect have been apparently postponed to 17 February. Even that, however, is conditional upon the result, i.e. the success of the presidential elections in the second round.

Immediately after the fact, executives of all political parties and movements—and particularly the main one, the Movement for a Democratic Slovakia [HZDS]—will have carefully scrutinized the reasons for the failure of yesterday's fruitless repetition of the first round. It may be too early for the claim that it is the first parliamentary, and also the first political defeat of the HZDS since the elections, but that does not make it a biased opinion. The same applies to the notion that it is the first defeat of the movement's chairman, Vladimir Meciar. Moreover, the results of both vote counts indicate that neither the innermost part of the government movement nor its relations with other political entities are without flaws.

The delay in the nomination of the official HZDS candidate for head of state may be considered the paramount reason for the unsuccessful first round of the elections. For Roman Kovac and the movement itself the delayed decision reduced both the time and room for maneuver that would allow them patiently and carefully to obtain at least some support from the other parliamentary parties. The demands—even as late as immediately prior to the nomination—that one at least check with the allied and opposition parties to achieve at least a provisional accord regarding the acceptability of a particular HZDS candidate were justified. Unfortunately, the motions to this effect by Milan Knazko and Rudolf Filkus were drowned in the general bustle of the excessive political self-confidence resulting from the assumption that one would again find a smooth passage to the election of the president through the Slovak National Party and Party of the Democratic Left. This should have panned out according to the model established with the adoption of the Declaration of Sovereignty and Constitution of the Slovak Republic. In those instances, however, a common, or at least analogous, interest played the dominant role. On the issue of the president, however, party interests and the endeavor to attain at least a share in power and its control gained the upper hand.

If one looks at the first round of the presidential elections from this point of view, the issue was not at all the person of the HZDS candidate, Roman Kovac, and his acceptability to the other parliamentary parties. This round of the election can be considered the first sign of unwillingness to accept centralization, the concentration of practically all legislative and executive power in the hands of a single government movement. Moreover, it would be difficult even to guess about the seed of contention left within the HZDS by the strategy of the double candidacy of Roman and Michal Kovac. At the same time—why not say it out loud now—many seasoned soldiers of this movement did not like this polarization duel, and pointed that out. Despite the apparent democracy of this approach, it involved great dangers. Moreover, it was clear to all interested parties from the start that greater voting concord would have been achieved by nominating Michal Kovac, who is also acceptable to a part of the Slovak National Party (not only the Brnakites), the Hungarian Christian Democratic Movement-Egyutteles, the Party of the Democratic Left, and, it seems, the Christian Democratic Movement, too.

So, if on the one hand we cry over the wasted chance of electing the president quickly in the first round, we must also ask why there is all this unnecessary spite and obstinacy. It is easy to be a armchair quarterback, and it is useless to cry that it is a bad signal for abroad when we cannot even agree on a common acceptable candidate for the presidency. At a time like this, not even the Schadenfreude over the scandals preceding the election of Czech President Vaclav Havel can help us in this situation. It is really high time to begin with realistic political considerations. One must realize that it is necessary to show, if not some respect, then at least tact in contacts with the closer or more distant opposition. Just the candidate's blue eyes or the fool's gold of promises are not enough to procure the true currency of votes. Even if the tradition of contempt calls for the mighty to throw the bones they have picked clean over their shoulder, one must leave something on the table for the company. Otherwise, it could happen that all that remains at the table of national accord is a lonely consumer.

Party Leader Cites Discriminatory Laws

AU0202135893 Prague CTK in English 1626 GMT 30 Jan 93

[Text] Bratislava, Jan 30 (CTK)—The Hungarian Egyutteles (Coexistence) movement is keen on the Slovak Republic being admitted to the Council of Europe, Miklos Duray, chairman of the movement, told CTK today.

He, stressed, however, that admission is dependent on several commitments, some of which are still not being met by the Slovak Republic. He said the Council of Europe does not accept countries whose laws discriminate against population groups.

According to Duray, the Slovak Republic's laws on official language, land ownership, and on restitution of property confiscated under the former communist regime to its initial owners discriminate against the Hungarian minority.

It is in our fundamental civic interest that Slovakia lift these barriers and enter the Council of Europe, he added.

Erzsebet Dolnikova, deputy chairman of Egyutteles, said that the planned establishment of bilingual Hungarian-Slovak schools in south Slovak regions with predominant Hungarian populations would lead to the liquidation of Hungarian-language schools. This is why the movement will not support the Slovak Education Ministry's project on the establishment of such schools, she added.

Minister Describes Difficulties With Foreign Press

AU0202194393 Bratislava NARODNA OBRODA in Slovak 28 Jan 93 p 9

[Article by Roman Hofbauer, Slovak minister of transport, telecommunications, and public works: "Petrovce—or Goemoerpeterfala?"]

[Excerpts] At least a dozen foreign reporters, television teams, and press agency correspondents visited the Slovak Ministry of Transport, Telecommunications, and Public Works—and specifically me—during November and December of 1992.

Their interest in the concept of development of the transport and telecommunication infrastructure in Slovakia equaled zero. They were just as little interested in the intentions and objectives of the Slovak Government in the spheres of economy, European integration, and cooperation, particularly with the neighboring countries. With all modesty, numerours accomplishments could have been shown to foreign visitors. After all, during August through December, very specific and fruitful talks took place with the specialty counterparts—ministers from Bavaria, Germany, Russia, Austria, Hungary, and Poland. We discussed all areas of common interest in the sphere of transport and communications and with positive results.

All this, however, was not of a great interest to these—for me atypical—representatives of foreign media. The only thing of interest to them was the removal of non-Slovak place-name signs of communities and cities in Slovakia, which they wanted at any cost to present as a violation of human rights. Hours of absolutely matter-of-fact dialogue proved to be lost time because, it seems, their conclusions were made even before they entered the office. [passage omitted]

At the same time, different traffic signs with different names of communities and towns, or signs with a different text would cause confusion in the transport orientation and instruction. They would cause chaos in marking of the roads and railroads and would be at variance with the time schedules of the Czech Railroads and the Czech Bus Transport, the geographical and political maps, and auto atlases. Because of the tourist maps and description of tourist routes, it would also hinder tourism.

The manner of traffic denotation of roads and highways in the Czech and Slovak Federal Republic corresponds to the European transport standards. Directors of the district road administrations and the Highway Directorate are responsible for maintaining the currently valid traffic marking of roads and highways. [passage omitted]

If the EC countries adopted a different principle of traffic marking of the communications, marking communities and towns, for instance, with signs bearing their names in the languages of all ethnic minorities living on the territory of the given country, it certainly would be adopted in our transport legislation. Such a decision, however, would have to be a part of a Europe-wide concept and would certainly complicate the traffic orientation in the framework of the automobile and railroad transport. [passage omitted]

It is obvious that even a very simple change of a place name to a different transcription or a completely different name is not at all simple. After all, one cannot take a train to Jesenske, and transfer here, in Feleda, to a bus going to Goemoerpeterfala, or Petrovce.

Nevertheless, the correspondents and reporters from abroad did not want to hear this. Having heard it, they had absolutely no intention of publishing it. They simply came with a preconceived idea of what they would write, what is expected from them.

Therefore, I will be sincerely happy if foreign correspondents visit Slovakia after 1 January 1993 without previous instructions on what they are to write. In addition, they particularly should not confuse traffic safety and respect for the legal form of traffic signs with alleged violation of human rights.

* Ethnic, Political Motives Seen Behind Dismissals

93CH0308A Bratislava UJ SZO in Hungarian 5 Jan 93 pp 1-2

[Interview with Erno Szomolai, recently dismissed director of the Dunajska Streda District Road Maintenance Enterprise, by "Mazsar"; place and date not given: "Dismissals Continue; Reason: Bilingual Municipal Signs?"]

[Text] *Leaders at the county-district level have been the subjects of politically motivated dismissals in recent days and months. Indications are that political motives might also be supplemented by nationality considerations. This is proven by the most recent wave of dismissals that took place at the Transportation Ministry. On 30 December the minister of transportation, telecommunications, and water management relieved of their duties the directors of the Dunaszerdahely [Dunajska Streda], Galanta [Galanta], Ersekujvar [Nove Zamky], and Rimaszombat [Rimavska Sobota] county district road maintenance enterprises effective immediately (and three of these were of the Hungarian nationality). The minister's letter states the fact of dismissal, but provides no reason.*

We asked engineer Erno Szomolai, the director of the Dunaszerdahely County-District Road Maintenance Enterprise, and one of the passive subjects in this case, about details.

[Szomolai] The minister of transportation, telecommunications, and water management relieved me of my duties effective immediately at 0710, 30 December, and appointed my deputy as temporary acting director.

[Mazsar] What reason did the minister provide in his letter?

[Szomolai] No reason was given in the "nice message of dismissal." This much is worth mentioning insofar as the letter is concerned: They confused Dunaszerdahely with Rimaszombat. I believe that the tug of war involving municipal signs is behind this matter. I reached this conclusion because the gentleman conveying the dismissals continued his travel for the same purpose to three additional mixed population counties. We were told by the ministry on 20 October to remove all Hungarian-language municipal signs found in villages within our districts by 30 October. We were not willing to forcefully remove the signs—we felt that those signs belonged to the autonomous local governments—and forwarded the minister's orders to the local governments to act pursuant to their own decisions. It could be that this decision of mine provided cause for my removal.

We also inquired at the Slovak Ministry of Transportation, Telecommunications, and Water Management. Spokesman Ivan Reguli explained the minister's decision by saying that the minister was not obligated to justify appointments and dismissals. He confirmed the dismissed director's assumption, according to which the unexpected notice of dismissal was caused by failure to implement the ministers orders to remove Hungarian-language municipal signs. In his view, the minister acted pursuant to the Law of Labor when he dismissed persons on grounds of failing to implement his orders, because where would we end up if directors disregarded orders issued by the minister?

* Slovakia's Hungarian Politicians on T.V.

93CH0308C Bratislava SZABAD UJSAG in Hungarian 11 Jan 93 p 1

[Unattributed report: "Extremist Demands?"]

[Text] Leaders of the MKDM [Hungarian Christian Democratic Movement], Coexistence, and the MPP [Hungarian Civic Party] discussed Slovak independence, the relationship between the majority and the minority nations, and the prospects of a Slovak-Hungarian compromise on Saturday afternoon's Hungarian-language broadcast of the Slovak Television.

Bela Bugar said that the fact of Slovakia's independence must be regarded as the enforcement of a nation's right to self-determination. Fifteen percent of the populace finds itself in a minority situation, however. For this reason the MKDM counts on enforcing the principle of citizens' rights. The fact that Ivan Gasparovic, the president of the parliament, also spoke in this spirit, and did not underscore the national principle, came as a pleasant surprise. Bugar added that in contrast to Gasparovic's statement, head of government Meciar did not talk about reconciliation, but claimed instead that the Hungarian minority continued, even at the moment when Slovakia was established, to present extremist demands. The MKDM stated its viewpoint during debate over the Constitution, and continues to maintain that viewpoint. The Movement would like to see reconciliation in the future, and will initiate action to accomplish reconciliation between Slovaks and Hungarians.

Miklos Duray, the chairman of the Coexistence Movement, was pessimistic about the relationship between the majority and the minority nation, because the Slovak head of government made statements that suggest that he wanted to create an enemy image, and because at present, Hungarians in Slovakia live in an atmosphere of hostile incitement. Duray was optimistic regarding possible reconciliation between Slovaks and Hungarians. As a result of Slovakia having gained independence, the nation has achieved its established goal, and responsibility for the future of the new state is held by the nation. Hungarians in Slovakia would assume their share of responsibility, but only if equal rights could be achieved.

Laszlo A. Nagy, the chairman of the MPP, said that the fact that the two republics were established without holding a national referendum casts an adverse light on the two republics. Slovakia in particular must prove and convince its citizens about its own viability. Regarding the relationship between Hungarians and Slovaks, Nagy stressed that relationships among simple people were always good. Nagy was convinced that this would also continue in the future. The Hungarian Civic Party has always supported the idea of cooperation; on the other hand, the party expects a manifestation of political sobriety from the ruling parties.

* Ethnic Hungarian Duray on Budapest T.V.

93CH0308D Bratislava UJ SZO in Hungarian 11 Jan 93 p 4

[Unattributed report: "'We Won't Walk Into the Trap'; Duray on 168 ORA"]

[Text] A reporter of the popular Hungarian Radio program 168 ORA thought that he found some mysterious sentences in last week's statement of Miklos Duray published by UJ SZO and also carried by MAGYAR HIRLAP of Budapest. One of these statements held that Duray recognized a huge opportunity for reconciliation in the framework of the new Slovak state. Duray believes that settling the statehood issue provides an opportunity for a new start. In response to the radio reporter's question Duray stressed that if this opportunity was not taken advantage of, the disintegration process that began in the early 20th century would unavoidably continue.

The Slovak Government's orientation toward a nation state, and the fact that the Slovak prime minister spent his first two days at work with the army, are unfortunate, ominous premonitions, Duray warned. He feels that the new state is embarking on policies reminiscent of the 1930's. Insofar as the conduct of the head of government is concerned, Duray believes that the Slovaks are beginning to worry about the independence "placed on their backs by Meciar." This is why he is seeking the army's favors, subordinating national ideology to his thirst for power, and this goes along with the chasing of an enemy image.

Based on the developments the reporter asked Duray during his stay in Budapest whether his organization had walked into a trap as a result of supporting Slovak independence endeavors. "Wrong. It is not we who walked into a trap, but Meciar; we passed by alongside the trap...." Duray said. He also said that the understanding of Slovak endeavors for sovereignty is a fundamental democratic requirement. On the other hand, it is regrettable that, unlike in the 19th century, the elite did not provide leadership to the Slovak national movement; instead, leadership was provided by mediocre or even weaker caliber persons. The demand for autonomy was expressed independent from the evolution of the situation in Slovakia.

Speaking of the relationship between nationalist Slovak youths "demanding Duray's head," and lawlessness in Hungary, Duray said that extremist manifestations in Slovakia and Romania are characterized by so-called legitimate views voiced by official circles.

Germany Offers Assistance of Economic Adviser

LD0202190193 Hamburg DPA in German 1628 GMT 2 Feb 93

[Text] Bratislava (DPA)—The German Federal Government has offered Slovakia, which gained independence a month ago, high-level economic advice. This was announced today on the sidelines of a two-day visit by a delegation from the Federal Economics Ministry in Bratislava. The Slovak side had not yet responded to an offer to provide the Bratislava government with a German economic adviser, Michael Mueller, department head and delegation leader, said..

Slovakia was also assured that a branch of the Reconstruction Loan Corporation would soon open in Bratislava, and it was promised assistance in presenting Slovak products at German trade fairs. Direct financial aid was not yet being considered at this stage, Mueller said.

Bank Deposits Total 7 Billion in January

AU0202191993 Bratislava PRAVDA in Slovak 1 Feb 93 p 2

[TA SR report: "Billions Have Poured In"]

[Text] Bratislava—Citizens' deposits in Slovak financial institutions increased by 7 billion korunas in January. To accommodate citizens prior to the currency separation between the Slovak and Czech Republics, branches of the General Credit Bank, the Slovak Savings Bank, and other financial institutions remained open during the weekend. Slovak National Bank Press Secretary Ivan Paska pointed out in an interview with a TA SR correspondent that it is necessary for people to keep enough money at home to exchange directly for franked money. It is not yet known how soon after the currency exchange is completed citizens will be able to withdraw already franked money from their accounts. Those exchanging higher denomination banknotes for lower-denomination ones will not help themselves much, since—as opposed to the Czech Republic—50 and 20-koruna banknotes are also being franked in Slovakia. Ten-koruna banknotes will gradually be replaced by coins, and will not be used as legal tender in the future.

Ways To Halt Drop in Foreign Reserves Explored

AU0202171893 Bratislava PRAVDA in Slovak 1 Feb 93 p 2

[Report by "ip": "Drop in Foreign Exchange Reserves; Meeting of the Slovak National Bank Banking Council"]

[Excerpts] Bratislava— The second meeting of the Slovak National Bank [NBS] Banking Council took place in Bratislava on Friday and Saturday [29 and 30 January]. Information from the meeting leaked to reporters was sparse, which is quite understandable as the talks concerned as yet unapproved measures associated with the currency split and the further development of the Slovak koruna. [passage omitted]

The Banking Council dealt with the diminishing foreign exchange reserves, noting that an alarmingly small amount of foreign exchange is being deposited in the banks' foreign exchange accounts. The NBS, together with the Ministry of Finance, will explore ways to halt this present development. As is the case with the measures associated with the currency split, these issues need to be considered and decided at parliamentary and government level. The Banking Council approved the interest rates for the Slovak Republic's claims and liabilities with the central bank.

The stamping of banknotes is continuing successfully, with 20.4 billion korunas worth of stamped banknotes ready to be put into circulation. The central bank monitors will optimize the number of unstamped and stamped banknotes and the structure of money in circulation according to denomination, so that the exchange of money and the currency split do not disrupt the evenness of monetary flows.

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AU0202191993 Bratislava PRAVDA in Slovak 1 Feb 93 p 2

[TA SR report: "Billions Have Poured In"]

[Text] Bratislava—Citizens' deposits in Slovak financial institutions increased by 7 billion korunas in January. To accommodate citizens prior to the currency separation between the Slovak and Czech Republics, branches of the General Credit Bank, the Slovak Savings Bank, and other financial institutions remained open during the weekend. Slovak National Bank Press Secretary Ivan Paska pointed out in an interview with a TA SR correspondent that it is necessary for people to keep enough money at home to exchange directly for franked money. It is not yet known how soon after the currency exchange is completed citizens will be able to withdraw already franked money from their accounts. Those exchanging higher denomination banknotes for lower-denomination ones will not help themselves much, since—as opposed to the Czech Republic—50 and 20-koruna banknotes are also being franked in Slovakia. Ten-koruna banknotes will gradually be replaced by coins, and will not be used as legal tender in the future.

Ways To Halt Drop in Foreign Reserves Explored

AU0202171893 Bratislava PRAVDA in Slovak 1 Feb 93 p 2

[Report by "ip": "Drop in Foreign Exchange Reserves; Meeting of the Slovak National Bank Banking Council"]

[Excerpts] Bratislava— The second meeting of the Slovak National Bank [NBS] Banking Council took place in Bratislava on Friday and Saturday [29 and 30 January]. Information from the meeting leaked to reporters was sparse, which is quite understandable as the talks concerned as yet unapproved measures associated with the currency split and the further development of the Slovak koruna. [passage omitted]

The Banking Council dealt with the diminishing foreign exchange reserves, noting that an alarmingly small amount of foreign exchange is being deposited in the banks' foreign exchange accounts. The NBS, together with the Ministry of Finance, will explore ways to halt this present development. As is the case with the measures associated with the currency split, these issues need to be considered and decided at parliamentary and government level. The Banking Council approved the interest rates for the Slovak Republic's claims and liabilities with the central bank.

The stamping of banknotes is continuing successfully, with 20.4 billion korunas worth of stamped banknotes ready to be put into circulation. The central bank monitors will optimize the number of unstamped and stamped banknotes and the structure of money in circulation according to denomination, so that the exchange of money and the currency split do not disrupt the evenness of monetary flows.

* Ethnic Hungarians View Prospects in Slovakia

* Editorial Voices Concerns

93CH0305A Bratislava UJ SZO in Hungarian 4 Jan 93 p 1

[Editorial by Jozsef Szilvassy, editor in chief of UJ SZO: "Words and Reality"]

[Text] This New Year's Eve was different, even though the usual group of friends gathered, and even though we cursed and praised the television program as usual, and drank champagne as usual. And yet, everything was different than last year and two years ago. Somehow we were unable to get in the mood. Despite this fact, and without the slightest dislike, we viewed the boundless joy of our Slovak neighbors—we observed as they launched screeching petards in their jubilant rapture. Suddenly a well-known saying of a Slovak writer came to mind: A nation deserves freedom only if it does not dispute the same rights from other nationals.

This thought occurred by no coincidence.

Despite various reservations and doubts, most Hungarians of Slovakia manifested understanding toward the endeavors of Slovak politicians to realize their nation's decades old desire: to establish Slovakia as an independent state. In a world pregnant with bloody conflicts we should appreciate the fact that we were able to avoid the worst possible situation, albeit the separation of the two nations was accompanied by forceful verbal clashes and by various conflicts carried over to the new year. We felt good about the Slovak parliament's proclamation, we were able to fundamentally agree with the New Year speech of the president of parliament in which he established the moral and spiritual renewal of Slovakia and the gradual achievement of prosperity and social welfare as the basic goals, all of which could also strengthen the political and economic stability of Central Europe.

These noble vows were in no short supply during the holidays. But many of us—very many of us—thought of the ordinary days, most of which do not bear out these lofty words.

It has been declared both verbally and in writing that the democratic value system would be respected, but in reality several thousands of office holders have already been dismissed clearly for political reasons. A continuation of social and economic reforms has been proclaimed, but facts prove that these processes have slowed down, that centralizing efforts have become increasingly obvious in the economy and in other spheres of social existence, and that state organs—increasingly following the dictates of a movement and a coalition—once again intend to acquire exclusive rights.

As Hungarians we are even more concerned, because despite the impressive vows, we are witnessing the infringement of our rights and the exclusion of our native tongue from public life. During the holidays we witnessed the removal of additional bilingual signs and the dismissal of more Hungarian office holders and directors. We are also disturbed by the fact that the present minister of education once again did magic in the nationalist witches' kitchen and presented the sinister plans and arguments of Comrade Pezlar. These hold that certain subjects ought to be taught in the Slovak language in Hungarian schools. Unfortunately, it would take a long time to enumerate the saddening phenomena which prove that certain responsible politicians want to apply the old, bad prescription: To say something different primarily to foreigners, than what they are actually doing in their homeland.

This has become a dead-end street by now; although Europe and the big, wide world have recognized Slovakia, they continue to observe the developments in this country. We expect to be visited by several delegations of the Council of Europe shortly; surely they will be curious to see our situation, and to hear what we have to say.

Their view is important from the standpoint of the present and the future of Slovakia, our common homeland, but most important is the need for nations that live here to be able to live in peace, and that their right to have a different view of the nation, politics and the world be guaranteed. Aside from our concerns, we also foster some hope. At last, a historic opportunity is presenting itself for both Slovaks and Hungarians to settle their common affairs without the intrigue and interference of great powers. We must take advantage of this opportunity, if for none other but because this is going to be a difficult year, and this new state will be able to deal easier with the hardships if political statements and realities progress in a closer parallel, and if people, other than the followers of the ruling parties, can also regard the Slovak Republic as their home and their homeland.

* Politicians' Fears, Hopes

93CH0305B Bratislava UJ SZO in Hungarian 4 Jan 93 p 4

[Statements by leading politicians Bela Bugar of the Hungarian Christian Democratic Movement, Miklos Duray of Coexistence, Laszlo Nagy of the Hungarian Civic Party, and Gyula Popely of the Hungarian People's Party; place and date not given: "Sobriety and Sobering Up; Hungarian Politicians on Slovakia, Which Has Become Independent"]

[Text] *Slovakia has embarked on the path of independence as of 1 January. How do Hungarian political forces in Slovakia view this development? We sought out the views of the chairmen of the various parties and movements.*

Bela Bugar, Hungarian Christian Democratic Movement:

Anything new creates new expectations, an anxious waiting to see what the future brings. This is also the case at the time Slovakia goes independent. The anxiety is justified in part because many recall the Slovak state before the war, and in part because the independent Slovakia has the same government that showed little understanding for people of other nationalities during the past six months. On the one hand, we see economic and social problems which equally impact on every citizen of Slovakia, while on the other, we find that the national minorities of Slovakia are dependent on the good will of the government and the movement that governs. Unfortunately, the laws governing the status of minorities can be misinterpreted, moreover, certain Slovak leaders also question the rights guaranteed by the Slovak constitution. Slovakia's application for admission to become a member of the Council of Europe provides ground for some optimism; to be admitted, however, Slovakia would have to meet certain conditions. Perhaps this is why the proclamation of independence by the National Council mentions the citizens of Slovakia, rather than the Slovak nation. I am confident that representatives as well as the government will recognize that a constitutional state can evolve only in places where the rights of minorities are guaranteed.

Miklos Duray, Coexistence:

A huge opportunity presents itself as a result of Slovakia's independence. It provides a chance for attempting to reach a Central European compromise in the framework of new statehood, a compromise that could not be reached either in the framework of the Austro-Hungarian monarchy or in Czechoslovakia. If we are able to take advantage of this opportunity—if the Slovaks are able to do so, because those in the minority actually expect to take advantage of this opportunity—the new Slovakia is going to provide a chance for the establishment of a value that points toward the future. The process of disintegration that began in the early 20th century will, in my judgment, continue, if we cannot take advantage of this opportunity in the framework of today's Slovakia.

Laszlo A. Nagy, Hungarian Civic Party:

I expect to see sobriety and a sobering up process in the independent Slovakia. I continue to expect sobriety from those, who against their will, and independent from their will, became the citizens of a new country. So far as we know, an absolute majority of Hungarians in Czechoslovakia favored Czechoslovakia, and this attitude is also going to help them in the future to realistically view the situation in Slovakia. I expect a rapid sobering up from those overpowered by the intoxicating effects of national independence. We trust that facing the harsh reality will lead us to recognize the fact that in the past the cause and source of our troubles was neither the Czech nation, nor Czechoslovakia, nor the revolution, and not even the minorities, but the past communist system. Despite the difficulties that can be expected, I view the future with the optimism of an old man from Csallokoz [?Ostrove], in whose backyard a huge dam is being built, and who once said: We have seen worse things than this, and yet we survived. We are going to survive this situation, too.

Gyula Popely, Hungarian Civic Party:

I regard the creation of an independent, sovereign Slovak Republic as the result of a process which we, Hungarians of the Highlands, were unable to influence in any way. It is regrettable that Czechoslovakia expired in the same antidemocratic way as it had once come about. Either then, or now, the people were not asked how they perceived their own future. Nevertheless we must, by all means, take note of the facts. We must accept the fact that beginning on 1 January we have to live our lives as a national minority in an independent Slovakia. We must not oppose Slovak sovereignty—what purpose would that serve? History will tell whether a Czechoslovakia, or, perhaps an independent Slovakia meant the lesser or greater evil. Our situation is probably going to deteriorate temporarily. But we must be able to survive the difficulties with good morals, with raised heads, and straight backbones.

Free Trade Agreement Initialled With EFTA

LD0202183793 Budapest MTI in English 1633 GMT 2 Feb 93

[Text] Budapest, February 2 (MTI)—A multilateral agreement between the countries of the European Free Trade Association (EFTA) and Hungary was initialled in Geneva on Monday [1 February] , Hungarian International Economic Relations Minister Bela Kadar reported at a press briefing in Budapest on Tuesday.

Hungary has made bilateral agreements on agricultural trade with five countries so far. Differences with Austria, the sixth EFTA member, should be settled within a month, Kadar said.

An open issue to be discussed at the talks is the extent of duty reduction and the pace of growth in agricultural exports.

Trade-Industry Minister Meets Iranian Counterpart

LD0202162493 Budapest MTI in English 1321 GMT 2 Feb 93

[Text] Budapest, February 2 (MTI)—Hungarian Industry and Trade Minister Ivan Szabo and Iranian Minister of Heavy Industry Mohammad Hadi Nezhad-Hoseynian held talks in Budapest on Tuesday [2 February].

Hungarian-Iranian trade has shown a considerable Hungarian surplus over the past 11 months, Szabo said after the talks. Hungary's exports over the period have totalled USD [U.S. dollars] 90 million, while its imports from Iran have hardly amounted to USD 2.5 million.

"First of all, Hungary would buy oil from Iran but deliveries are impossible due to the south Slav war," Szabo said.

Speaking to Hungarian company leaders involved in trade with Iran, Mohammad Hadi Nezhad-Hoseynian said Iran would welcome Hungary's sharing of technology, know-how and expertise.

Responding to the remark that Iranian payments have become irregular in the past year, the Iranian minister said the irregularities were due to commercial banks' lack of experience after a liberalization of the banking system in Iran. He promised improvements in the future.

Democratic Alliance Head Views Party's Role

AU0202124393 Budapest NEPSZABADSAG in Hungarian 29 Jan 93 p 4

["B.G."-signed interview with Imre Pozsgay, founder of the National Democratic Alliance, in Budapest on 28 January: "The Ability To Govern Hungary Has Been Preserved"]

[Text] The National Democratic Alliance [NDSZ] will hold a general meeting this weekend. Imre Pozsgay, founder of the party, rarely appears in public nowadays. He gave us an interview in his office on Thursday [28 January].

[Pozsgay] The work of building the party is proceeding at full speed. In recent weeks we have been focusing on the preparations for the coming meeting. We have two major tasks: to approve the party program, on the basis of which we will later work out our election program, and to elect a leadership.

["B.G."] How many members does the NDSZ have?

[Pozsgay] The figures change every day. New organizations are being formed. In September, we asked our members whether they would also accept us as a party. Some 90 percent of the people said yes, and the others will remain our supporters, probably as voters, too. The NDSZ does not have many members: There are 3,000 of us.

["B.G."] The crisis of the Hungarian Democratic Forum [MDF] is one of the key factors in Hungarian domestic politics today. As a person who was present in the tent in Lakitelek at the time [reference to the meeting of the opposition before the change in the regime], what were your impressions of the recent MDF national conference?

[Pozsgay] This MDF is no longer the party it was in 1987-88. From being a democratic movement with a popular character, the MDF turned into a center right party containing several streams. Together with its governing responsibility, this is tormenting the MDF. We have been witnessing this struggle in recent weeks, and we also witnessed it at the national conference. The best thing about that conference was that the ability to govern Hungary was preserved. They did not solve their conflicts, but they realized their responsibility to make sure that the forces of restructuring remain in power, rather than the forces of anarchy. I see guarantees that our citizens will be able to decide on their future at new free elections in 1994.

["B.G."] Istvan Csurka's radicalization strongly affects both the MDF and the fate of this country.

[Pozsgay] I have already expressed my opinion about the Csurka phenomenon and I do not want to repeat myself. However, I must say that the Csurka radicalism is based on a basic historical mistake.

["B.G."] In your political career, the MDF is the past and the NDSZ is the present. In between was the Hungarian Socialist Party [MSZP].

[Pozsgay] In the middle of the difficulties of restructuring, the MSZP succeeded not only in preserving and even strengthening its nature and its social democratic orientation, but also in increasing its influence on the voters. If it succeeds in settling its relations with the nation, the MSZP will become one of the strong parties in the next elections scheduled for 1994.

Free Democrats Set Program for Next 15 Months

AU0202134493 Budapest MTI in English 1854 GMT 30 Jan 93

[Text] Budapest, 30 January (MTI)—"Inasmuch as Prime Minister Jozsef Antall, the president of the Hungarian Democratic Forum re-elected one week ago, wishes to meet with the leaders of the opposition parties, the president of the Alliance of Free Democrats [SZDSZ] is open towards such a meeting," SZDSZ President Ivan Peto said in Budapest on Saturday [30 January], at his press conference following the session of the SZDSZ's National Council.

The Alliance of Free Democrats, the largest Hungarian opposition party, has worked out a proposal package for the 15 months running up to the elections in 1994. It is a list of practical proposals which the SZDSZ considers can be implemented with the government majority. The SZDSZ leadership put together these so that Parliament and the government deal with issues that genuinely serve the interests of the citizens in the period leading up to the elections.

A priority among the proposals intended to show a constructive opposition conduct is for the government to prepare an objective situation report and prognosis about the state of the economy, with the involvement of independent economy research institutions.

Another proposal related to the economy is for the minister of finance to report to Parliament about the fulfilment of the 1993 budget after the first four months of the year.

The Free Democrats also expect a report from the minister of international economic relations on the preparations for the World Expo in 1996.

According to the SZDSZ, industrial parks that create new jobs could be set up with central funds in the crisis regions, to ease the problems caused by unemployment.

Officials View New Defense Principles

AU0202182893 Budapest MAGYAR NEMZET in Hungarian 1 Feb 93 p 5

[Interview with Lajos Horvath, Hungarian Democratic Forum (MDF) deputy and member of the Parliament's Defense Committee, and Andras Nagy, Alliance of Free Democrats (SZDSZ) deputy and member of the parliamentary Defense Committee, by Vereckei; place and date not given: "Parliamentary Deputies on the Basic Defense Principles—Western Stand Is Decisive for the Future of the Region"]

[Text] As we already reported, the decision containing the basic defense principles and main defense tasks of the Hungarian Republic has been made. The document determines the basic principles and goals of Hungary's defense policy within the framework of the security policy and in coordination with this policy, and it outlines the strategy of the defense policy and the issues connected with the Armed Forces by adjusting to the "future dangers threatening" this country. Our correspondent asked two members of the parliamentary Defense Committee, Lajos Horvath of the Hungarian Democratic Forum [MDF] and Andras Nagy of the Alliance of Free Democrats [SZDSZ], about the document.

[Vereckei] In your opinion, what is the importance of the basic defense principles?

[Horvath] The importance of the basic defense principles lies in the fact that, for the first time in 100 years, we must create a basic defense document for a Hungary free from blocs and alliances. This is taking place at a time when we have to consider various sources of danger. Therefore, the basic principles are to consider these dangers and determine our defense policy accordingly, as well as the development trends of our Armed Forces with regard to the limited resources available.

[Vereckei] What sources of danger are mentioned in this document?

[Horvath] The essential thing is that Hungary has no enemy image. However, we are aware of the fact that there is a military confrontation going on along our southern borders and ethnic conflicts could also emerge in this area. We are also aware of the fact that there are anti-Hungarian forces in the parliaments of Romania and Slovakia, and there is no parliamentary democracy at all in Serbia. We must consider the possibility that these political groupings may seize power in the case of a domestic economic crisis. Therefore, we must require our Armed Forces to have the ability to act in accordance with the level of the potential conflicts. This is where I see the political wisdom of the Csoti-type individual initiative: A NATO unit deployed in Hungary could be a serious restraining force in a conflict situation.

[Vereckei] However, the extremists in the neighboring countries fear possible Hungarian aggression.

[Horvath] The danger of Hungarian aggression is a lie. Their soldiers are quite aware of the position of the Hungarian Army. On the other hand, we must consider the possibility of a flow of refugees toward Hungary as a result of possible violence against the national minorities in these countries.

[Vereckei] Speaking about this, one of the interesting things about these basic principles is that, among the dangers threatening Hungary, these principles also consider not strictly military tasks, such as migration and environmental problems.

[Horvath] I do not regard this as an important part of the document. I think it is a general problem that the basic principles contain more general elements and fewer military elements than expected. Given the situation in our region, one would expect more specific formulations. I admit, however, that it is rather difficult to forecast anything in the current rapidly changing circumstances.

[Vereckei] According to one point of the document, in the case of aggression against Hungary, in addition to military defense, we must also mobilize the mechanisms that guarantee international solidarity and, in the worst case, even military support. At the same time, the UN does not seem to be efficient enough: it only has an uncertain effect and then only after a long time.

[Horvath] That is true. In a highly-organized area like Hungary, with its population density, saying that nothing will happen if they invade because we will hold negotiations and then they will leave is tantamount to giving up the attacked areas. The conflicts in this area are currently being formed and the future also depends on whether NATO and the Western countries will take a stand against these negative trends. Given the fact that there is a recession in these countries, they prefer to apply pressure instead of taking a stand. If an army strikes somewhere, there will be nothing left there. Therefore, I regard these proposals as emergency measures only. To be able to halt the advance of a potential aggressor, Hungary needs a much stronger army than the current one.

[Vereckei] However, this would only start a new arms race in the area!

[Horvath] If everyone is serious about the stipulations of the arms reduction agreement, nothing like this will happen. Hungary has the possibility to carry out military development within the framework of this agreement.

[Nagy] My main objection to this document is that it is too wordy. The more that is written about something, the easier it is to hide the essence. The size of this document must be reduced from its current 30 pages to three or four pages. The basic principles should also clarify the status of the Border Police, because the current situation, in which the Border Police are subordinated to the Interior Ministry, is dangerous: there is a possibility of the government using these units to impose domestic order. In the view of the SZDSZ, the Border Police should be divided into two: a border police force should continue to belong to the Interior Ministry, while border guards units would belong to the Defense Ministry, and the tasks of the active units would be carried out by the border guards.

[Vereckei] In your opinion, would the deployment of military units along our borders cause unnecessary tension among our neighbors?

[Nagy] No. Not if we set up an adequate system of guarantees, such as international agreements stipulating the areas in which these units can move along the borders. We can also envisage a situation in which, in coordination with Parliament, the defense minister would also be able to deploy these units immediately in case of danger.

[Vereckei] Do you have any other objections to the content of this document?

[Nagy] We agree with most of the things included in these basic principles, because this document emerged as a result of joint work. I would rather say that we have many objections to the format of the document, and certain objections to its content. The very form of the decision causes problems, because it is unclear as to who is obliged by its content and how it must be interpreted in the future. It is also unfortunate that this is some kind of a summary of principles, rather than a statutory document with several points. The fact that, according to the government parties, this decision only requires a 50 percent vote, and not a two-third majority, could also cause further debate. If it is not regarded as a two-third majority bill, a strange situation might emerge in which a decision only requiring 50 percent of the votes would authorize the government to work out a defense bill requiring a two-thirds majority. Nor is it clear to this very day whether we can submit modification proposals to the almost 30-page supplement to this decision made up of three points. We also think that it is not correct to let the government report to Parliament about the modification of its defense policy and the development of our Armed Forces only every two years. In my opinion, such a report should be made annually.

* Economy Reportedly Reached 'Turning Point'

93CH0275C Budapest UJ MAGYARORSZAG in Hungarian 21 Dec 92 p 7

[Unattributed article: "Enterprise '93; Economy at a Turning Point"]

[Text] At a weekend conference entitled "Enterprise '93," the owners and managers of small, medium-sized, and large companies became acquainted with the new financial and commercial conditions of conducting business, and with the possibilities of taking part in privatization. The event was organized by the Economic Learned Society of MTESZ [expansion not given] and by the Hungarian Privatization Society, with the participation of prominent lecturers.

"The creation of an economy built on the predominance of private property requires enormous efforts on the part of legislation. This is indicated by the fact that while last year parliament enacted 91 new laws, this year their number was more than 200, and next year they will increase by at least 100," said Gyula Takacsy, chairman of parliament's economic committee. A further important constituent of the transformation of the structure of ownership is the process in the course of which a portion of state property is turned over to self-governments. However, as Gyula Takacsy pointed out, the self-governments do not manage the property they are entrusted with any more efficiently than the state did.

"For this reason," he added, "it is likely that in a subsequent cycle the privatization of self-government property will be in the center of attention."

"This year, Hungarian economy arrived at a turning point. The decrease of industrial production stopped, the rate of the increase of unemployment came to a halt, our exports began to grow, and the bulk of losses caused by the liberalization of prices and trade is behind us," Tamas Szabo, minister without portfolio, enumerated. "In the meantime, inflation continues to decrease, and the pace of foreign investment did not drop, either. In the future, only the work of 'fine tuning' awaits the government. The same is true for privatization, although this year foreign partners bought twice as much, and domestic partners three times as much property as in the previous two years together, and in the case of credit purchases, the increase was fivefold," the minister stressed. The government intends to stimulate privatization with the help of the property agency which will accelerate the rate at which companies can form corporations, give better information to the concerned parties, decentralize the process of privatization, and create the institution of credit consolidation. By means of the latter, bad companies can be improved, and the banks will be rid of their questionable loans; all of these measures will advance the privatization of banks.

"Our country is financially stable; we can take out as many foreign loans for as many good investments as we can find; this year, inflation will be around 23 percent, and next year it is expected to move in the range of 15-19 percent. Thus, the first two steps of the Kupa program have largely been realized. In 1993, a growth of 0-3 percent can be expected, but according to certain data, we have already reached the lower limit of that figure this year," Jozsef Thuma, deputy under secretary of the Financial Ministry, summarized. He called the market shift that took place up to now successful; this is not an accomplishment of the parties or parliament, but rather of the government. Sixty percent of bankruptcy procedures ended with a settlement so far, and the percentage can improve after the amendment which is expected in January, according to which a three-fourths majority opinion of creditors will be sufficient for a settlement, as opposed to the previous 100 percent.

"Similar to this year, Hungarian exports are expected to increase by 5 percent next year," said Mrs. Gyula Nemeth, deputy under secretary of the foreign trade portfolio, and pointed out that as a consequence of our association with the EC, our exports to that group of countries increased by 24 percent, i.e., much more than the average. The free-trade agreement to be concluded with the Visegrad countries also promises favorable effects. Further, the foreign trade portfolio would like to conclude an agreement with EFTA, as well, in the first quarter.

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* Role of Domestic Investors Reported Expanding

93CH0275B Budapest MAGYAR HIRLAP in Hungarian 31 Dec 92 p 1

[Unattributed article: "Expanding Role of Domestic Investors in Privatization"]

[Text] Domestic savings in excess of 1 trillion forints [Ft] suggest that Hungarian citizens possess considerable financial resources, and it would be worthwhile to involve these in the privatization of state property. However, up to now only minor successes can be noted. As Cabinet Chief Counselor Bertalan Diczhazi told us, data by the State Property Agency reveal that in 1992 approximately 40 percent of privatized property became the property of domestic private persons or corporations composed of such persons. (In 1991, their share was 20 percent.) The privatization of retail stores and catering establishments is well advanced. In conformance with legislation, only domestic private persons or corporations composed of such persons can participate in preprivatization.

The self-privatization program of state-owned small and medium-sized companies has accelerated; approximately 70 firms were sold. Eighty percent of the companies in question were bought by domestic entrepreneurs and workers. The process of privatization by leasing, announced at the end of the year, includes eight medium-sized companies. The evaluation of bids by domestic entrepreneurs, workers, and managers is continuing in the beginning of 1993.

In 1993, privatization and financial policy must have the goal of a much greater portion of domestic savings by the population being applied to privatization. For this reason, the partial or complete sale of companies with good financial indicators to domestic small investors should be increased. According to the plans, public shares of 15-20 companies will be issued next year, among them, of Mol Rt. and the Budapest Canning Factory. The sale of state-owned companies by units will continue; this will concern the sale of individual units of the baking, milling, dairy, and hotel industries; further, management buyouts will also receive great emphasis.

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* 'Continued Confidence' of Foreign Investors

93CH0275A Budapest MAGYAR HIRLAP in Hungarian 30 Dec 92 p 1

[Unattributed article: "$1.35 Billion of Foreign Capital in 10 Months"]

[Text] In the first 10 months of the year, $1.35 billion of foreign capital flowed into the country. Approximately $1.15 billion came in the form of cash, and $200 million in the form of initial shares. Beyond that, domestic joint ventures and firms owned by foreigners carried out approximately $350 million worth of improvements, financed by foreign loans. (Last year, in 12 months $1.7 billion flowed into the country in the form of capital, and investment in firms in Hungary partially owned by foreigners, financed from foreign loans, amounted to $200 million.)

It occurs frequently that a corporation created with a relatively small initial capital takes out an additional loan from the foreign mother firm or from a foreign bank to carry out the planned improvement.

Nearly 70 percent of foreign active capital is utilized in industry. The number of new small and medium-sized joint ventures that produce parts, elements, and main components is growing dynamically. Numerous new industrial jobs are being created by foreign firms.

Hungary is enjoying the continued confidence of foreign investors. A number of large Western firms, such as the German Audi and Stollwerk, or the U.S. Alcoa, decided on further investments in Hungary. It is important that local self-governments promote further foreign construction starts by selling lots at a reduced price.

* Stockholder Protection in Bankruptcies Viewed

93CH0282A Budapest FIGYELO in Hungarian 23 Dec 92 p 9

[Article by Ilona Hardy, former executive secretary of the Budapest Securities Exchange: "Protecting Stockholders; Bankruptcy of Stock Issuers; When a Company Is Liquidated, the Interests of Stock Exchange Investors Are Protected by Extensive Guarantees"]

[Text] News came recently about the bankruptcy and liquidation of two companies that are active on the stock exchange.

Central European Credit Bank, a creditor of Muszi Corporation, initiated a process of liquidation for default on payments, and Terraholding's executive board informed its stockholders that the company has filed for bankruptcy and that this process would probably change to liquidation.

The question arises, what will happen to the stocks issued by the liquidated companies and will the stockholders have any special guarantees in case they became part owners of the companies as stock exchange investors, i.e., in case they bought their stocks on the stock exchange.

Basically, in case a company goes bankrupt and is liquidated, the options of stockholders of stock exchange companies are specified in the statute on business partnerships and the liquidation process. In other words, the money coming from selling the assets and from collecting payables is used to pay off creditors and then the remaining assets are divided among the stockholders. According to the relevant rules of the Budapest Stock Exchange, the stock is removed from the list of tradable securities if the Registry Court removes the company from the company registry. If a liquidation process is initiated against a stock issuer, the stock exchange—and the public—must be notified in the form of a special notice. After the day of the public notice, all securities of the issuer under liquidation can only be bought or sold in immediate transactions. The designated liquidator will regularly inform the stock exchange about the progress of the liquidation, and these reports will be published in the official publication of the stock exchange.

The purpose of all of these regulations is to keep the stockholders continually informed. Obviously, the exchange rates of stocks of companies that are being liquidated will fall dramatically. However, there may be some firms, investors, or speculators who will buy up the securities, hoping to rake in large profits from the difference of the low purchase price and the proceeds originating from the distribution of assets.

In the event of the bankruptcy of a company that is registered on the stock exchange, the stockholders of that company have an advantage over investors outside the stock exchange in that they have a clearer picture through more widely publicized, more detailed, and presumably more precise information and, consequently, are in a better position to make decisions. Another advantage is that the stockholders have a much better chance to sell their stocks after the liquidation is set in motion if the stocks are listed securities. And if the stockholder can prove after the liquidation that earlier information published on the condition and data of the bankrupt company was misleading, deceptive, or untrue, he can initiate legal action for compensation against the firms or persons who were responsible for the misinformation.

Modification of Bankruptcy Law Expected

93CH0328A Budapest NEPSZABADSAG in Hungarian 28 Dec 92 p 5

[Article by Zs.R.: "Bankruptcy Law Facing Change; Life Saver for the Judges"]

[Text] *The first-year evaluation of the bankruptcy law is ambiguous: Little more than one-fourth of the 4,118 companies operating with a deficit filed for bankruptcy or liquidation. For the time being, the majority consists of those who are losing the market and their field of operation and those who are experiencing permanent difficulties in paying their bills. The total number of petitions constitutes 9 percent of all ventures. But since this also includes several large enterprises, their economic import is greater than that.*

According to the most recent data, 3,809 bankruptcies and 7,859 liquidations were announced. By 8 April, the courts received 59.3 percent of the bankruptcy petitions; since then, 100-200 new petitions have arrived each month. With regard to liquidations, the number is between 600 and 1,000. Permanent insolvency is the main reason for the petitions. The delayed bankruptcy agreement is only a partial explanation for the gradual increase of petitions, for 70 percent of the petitions for liquidation were directly submitted by creditors—

mainly by suppliers and tax offices. Of the companies that constitute legal persons, those that are under bankruptcy or liquidation proceedings employ 16 percent of the labor force and provide 24.4 percent of GDP and 35.2 percent of exports accounted in dollars. One-third of the bankruptcy proceedings involve companies with fewer than 20 employees, and another third involves companies with 51-300 employees. Half of the bankruptcy proceedings were completed, 60 percent of which ended in agreements. Agreements were negotiated with larger-than-average companies. The total claimed against companies under bankruptcy proceedings amounted to 130 billion forints, 40 percent of which was filed by banks. The total of claims against companies under liquidation proceedings amounted to 36 billion forints, 15 percent of which was back taxes. Because of great asset depreciation, company assets cover debts only according to their book value. The bankruptcy and liquidation proceedings do not mean the immediate loss of the total production and exports of the given companies.

The number of companies against which bankruptcy proceedings have in fact begun is 1,910; the number involving liquidation is 1,560. Instead of the 15 days that are specified for bankruptcies, months went by before petitions were filed. In no instance was the compulsory 60-day deadline met with regard to liquidations. These data, even in themselves, are indications that the courts' working conditions must be improved in the future. Quite a few changes are expected in 1993 with regard to the bankruptcy law—at least this is what the proposals submitted to the government indicate.

* Impact of Privatization on Communications Industry

93CH0309F Budapest NEPSZABADSAG (MARKET AND ECONOMY supplement) in Hungarian 28 Dec 92 p 20

[Article by Zsuzsa Ban: "The Youngest Member of the Telecommunications Family; New Cast of Actors in Telephony"]

[Text] How can a private firm establish a foothold in a newly privatized market? What chances does it have to compete in the duel between multinational firms? Conceivably, could the road to the rebirth of an industry lead through a joint enterprise? Ericsson Technika service organization provides examples of a rare model for privatizing the domestic market; in doing so, it teaches some lessons that should be learned.

The results of a telecommunications development tender announced two years ago, making a choice between various systems, strongly divided Hungarian public opinion primarily because of the industrial policy aspects of the decision. It became apparent that, as a result of the decision, BHG Communications Technology Enterprise—previously enjoying traditional prerogatives—would be excluded from the telephone business, and that BHG's development project initiated in hopes of doing business—financed by the then already rather weak Videoton—would be cut short. At the same time, the Telephone Factory, which had experience in communications technology, but was a novice in terms of manufacturing telephone central stations, was given opportunities, while a private firm called Ericsson Technika, previously outside the group of communications equipment manufacturers, acquired the lead role. All this not only meant that these two firms—or to be exact: the system provider Ericsson and Siemens [through the Telephone Factory]—would receive the orders placed by the state, but also that no competitor would be able to establish a foothold in the private market for a long time to come. This is based on a provision of the basic agreement, according to which no third supplier would have an opportunity to participate in the tender to select a system until the end of 1995, even though one could predict that a brand new situation in Hungarian telecommunications would evolve in 1992, and even more so, in 1993 and 1994. The new situation is evolving in part because MATAV [Hungarian Telecommunicatons Enterprise] itself is in the process of initiating the establishment of private telephone companies to accelerate development and to broaden available opportunities. One could also predict that with the enactment of the new telecommunications law, new operators would enter the market to expand the network in exchange for concessions. Once this wave of development slows down however, telecommunications development is going to grow at a substantially slower pace, because growth must keep in step with the evolution of solvent demand. All this makes clear why Ericsson and Siemens, and their allied Hungarian firms, acquired the most promising aspects of the market.

The classic Hungarian communications technology enterprises would have been hard put to satisfy the needs of the new market, according to Ericsson Technika Chairman and President Istvan Fodor. Beginning in the mid-1960's, hundred-years-old traditional Hungarian enterprises have fallen behind modern technology to an extent that from a practical standpoint they would have competed in the tender with almost as little to show as firms that were new in this field. The old Hungarian plants were sustained by protectionist industrial policies and by CEMA; today they are unable to manufacture products that are viable in the international marketplace. Istvan Fodor mentioned an interesting example to illustrate the situation. A year and a half ago Ericsson Technika announced 13 vacancies for electrical engineers. After careful selection from among 185 applicants, recent graduates were hired to fill all the vacant positions. Since the applicants included several recognized professionals, it became apparent that previous experience was not a strong enough qualification to enable one to deal with the new technology.

According to the management of Ericsson Technika—a joint enterprise established by the Swedish Ericsson and the Hungarian Muszertechnika [Instrumentation Technology] enterprise—new firms find their places in the communications technology and telecommunications market because the manufacturing activity, in the classic sense of that term, has largely disappeared by now from this branch of industry. For example, only 40 percent of the modern technology adopted from the Swedes is of a material character and involves work linked to materials, while 60 percent involves activities in which professional knowledge and ability play a decisive role.

The method used by the 75-percent Swedish and 25-percent-plus-one-share Hungarian-controlled firm to tackle the tasks in a field that is new from their standpoint is by all means out of the ordinary. More than 600 million forints were invested to purchase machinery for the Venyige Street plant leased from Muszertechnika, and an almost identical amount was spent on training. In addition, the firm paid 300 million forints for various consultant services. Thus, for example, they are in the process of installing the fourth telephone central station for internal use. They are using these central stations to provide technical training, to perform measurements and tests, and to supervise the operation of already installed Ericsson central stations. The firm will incur losses during the first two years of operations, but beginning in 1993 they hope to break even, without profits. The two principal firms finance the long-protracted preparatory period.

Incidentally, Ericsson Technika is not only making preparations, it is already hard at work. In 1992 it functioned as a subcontractor to install Ericsson equipment, but the 1993 tender bid was already submitted by the joint enterprise, and not by its principal.

This is not going to be the first venture of the firm regarded as a novice in the field of telecommunications. The firm's activities in the framework of the software house have been successful from the outset. This software house covers 18 countries. Hungarian software designers participate in Ericsson's large, international projects by maintaining constant and continuous communications through their special computers with software designers in the rest of the countries. The super computers are linked by a satellite data communication system. At this point 25 software designers use this electronic system, and the firm has 183 computer work stations capable of communicating through the global electronic correspondence network and of using various high capacity data bases. The hardware assembly unit has also passed the test, and a so-called system support center providing around-the-clock service is also functional.

After two years the Ericsson experts will slowly remove themselves from the enterprise. From among the 25 foreign professionals working in Hungary at present, only 10-17 are slated to remain next year. This is the best indication of the fact that Ericsson regards this undertaking as viable.

The new firm is committed to do more than manufacture telephone central stations. Once the Hungarian operators of the GSM [Special Mobile Group] system in the 900-mH frequency band are selected, Alcatel and Ericsson are going to have the greatest chance of becoming subcontractors. With a 40-percent share of the global market, Ericsson today ranks highest in the world's mobile telephone market. Quite naturally, this line of business could produce new assignments for Ericsson Technika. In addition, they consider continuing with their telecommunications development efforts, because the privatized market could present a number of new tasks. For example, the First Pest Telephone Company has ordered its central station from Ericsson Technika. They are also aware of the fact that competition is going to become more keen as a result of Siemens opening its factory in Hungary. In terms of telecommunications, the Swedish-Hungarian firm is counting on having a market economy.

Walesa Comments on Visit, Talks in Prague

LD0202223593 Warsaw Third Program Radio Network in Polish 2000 GMT 2 Feb 93

[Text] Vaclav Havel has been sworn in to the office of the first president of the separate Czech Republic. President Lech Walesa was an honorary guest during the ceremonies.

[Begin Walesa recording] I've always put my money on President Havel. I am glad because we understand each other very well as far the vision, concepts, necessity are concerned—and here this cooperation also has to produce some effects. [end recording]

President Lech Walesa also held talks in Prague with the presidents of Hungary and Germany.

[Begin Walesa recording] We have a lot of problems: asylum seekers, the ratification of the treaty and, being neighbors, many other economic issues. Our talks are always very interesting and they always proceed ahead a little. And I think that this was the case this time as well. [end recording]

Good Relations With Czech, Slovak States Sought

AU0302112493 Warsaw PAP in English 1658 GMT 31 Jan 93

[Text] Warsaw, Jan. 31—Poland wants to maintain equal-footed relations with both states which have emerged after the breakup of the Czecho-Slovak Federation and to continue cooperation within the Visegrad group, Urszula Dzierzawska-Bukowska of the Polish Foreign Ministry's European Department has said.

Dzierzawska-Bukowska added that despite critical statements on the Visegrad group, Poland hopes that her partners can see the purpose of the group's existence.

Poland and the former Czecho-Slovak state have signed 208 bilateral agreements which now have to be signed anew with the two independent states. This is expected to take place during the first months of this year, said Dzierzawska-Bukowska.

In the near future, Poland plans to sign with the Czech and Slovak Republics agreements on the protection of mutual investments and on avoiding double taxation. The lack of such documents considerably inhibits the development of Polish private investments in the two republics, stressed the ministry official.

Poland would also like to sign with its southern neighbors a package of documents concerning local transborder traffic and agreements stimulating the development of border-zone economic cooperation, especially in such fields as transport, environment protection and tourism, said Dzierzawska-Bukowska.

Cabinet Official on Possible Ministerial Changes

WS0102133793 Warsaw Television Top Canal in Polish 1705 GMT 27 Jan 93

[Studio interview with Jan Maria Rokita, head of the Office of the Council of Ministers, by Radio Zet commentator Andrzej Pawel Woyciechowski; "Guest of Radio Zet" program—recorded; originally broadcast live by Warsaw Radio Zet at 0715 GMT on 27 January]

[Text] [Woyciechowski] What is a cabinet crisis? Sometimes in the newspapers we find strange information that somewhere in Italy, in Peru, in Bangladesh, or in the Ivory Coast there is a cabinet crisis. What is a cabinet crisis?

[Rokita] A cabinet crisis is a state where one government has stepped down and the next has not yet been formed. We have no cabinet crisis in Poland.

[Woyciechowski] And what about a small cabinet crisis?

[Rokita] Well, I must say that this....

[Woyciechowski, interrupting] Are we experiencing a small cabinet crisis in Poland? What do you call what is now happening in Poland? Well, generally speaking, if we are to believe the press, if we are to believe the rumors that politicians are regularly denying, Suchocka would like to change a few ministers, but she cannot do so.

[Rokita] I suppose you mean the state of the government. As I understand it, I should define the situation in Poland in this area?

[Woyciechowski] Yes.

[Rokita] Well, I would say like this. What we now see in Poland is an attempt by Hanna Suchocka to control the state, and to supervise the Council of Ministers. This attempt began with last week's session of the parliamentary coalition during which certain rules were accepted by the coalition. These rules were very favorable from the point of view of controlling the state and politics. The coalition will have a difficult time in fulfilling its commitments to the prime minister. The prime minister will also face tough times in order to meet her commitments to the coalition. In any case, I think that Suchocka will not agree to head a government that is drifting and moving like a child through the fog. This is probably impossible.

[Woyciechowski] What you have said sounds a bit formidable, strict, and nervous. Did you mean it, or did I simply get such an impression?

[Rokita] No, it was not nervous. Hanna Suchocka is rather a strict woman and, consequently when I am thinking or talking about her views, [words indistinct].

[Woyciechowski] So, it does sounds serious. What is it like, are ministers appointed by the prime minister or the parties in the coalition?

[Rokita] Ministers are appointed by the Sejm. That is one thing. Now, when a government has already been formed and some ministers must be changed, the ministers are appointed by the president who is authorized to make such changes. The president does so on the motion of the prime minister. This is what the Constitution says. According to the coalition agreement, at least the one reached last Friday, the prime minister can recall a minister within the framework of the agreement. The appointment of a new minister, however, must be preceded by consultations with the political party which is guaranteed priority in this particular ministry by the coalition agreement.

[Woyciechowski] Can a given political party oppose the recall of its minister? Is this possible?

[Rokita] This would mean that the prime minister does not, in effect, control her own government. Let us suppose that if one of the ministers thinks that the prime minister is an idiot, totally incapable of administering the state, then the prime minister would be forced to continue working also with him. This would be absurd.

[Woyciechowski] So, as I understand it, if Prime Minister Suchocka wanted to replace some minister, let us imagine a possible situation....

[Rokita, interrupting] In order to do that [words indistinct] a motion to the president.

[Woyciechowski] Does Prime Minister Suchocka want to replace any of her ministers?

[Rokita] Prime Minister Suchocka is still evaluating all of the ministers, including myself. I think that very soon she will present, to the public and to the government coalition, a plan for change in the Council of Ministers. These changes will help the government to become more controllable and more efficient.

[Woyciechowski] Will these include names, or....

[Rokita, interrupting] You know, it would be very good if, instead of me, Prime Minister Anna Suchocka could be sitting at this table and answering your questions. However, I think that outside of personnel changes, other changes in the government are hard to imagine.

[Woyciechowski] How true are the rumors, which have appeared in the press during the past several days, also today, claiming that four ministers are to be recalled? Every day one minister has been added to the list, and today the list includes Dyka, Hortmanowicz, Niewiarowski, and Janowski.

[Rokita] Well, and I am not on that list?

[Woyciechowski] No, I have not seen you there. Maybe tomorrow, in some newspaper.

[Rokita] This is a complete surprise to me. I must say, you would like for me to interpret the rumors, or the prime minister's decisions. I cannot do either of these things.

[Woyciechowski] One of today's newspapers carries a sensational report that Bielecki could become the Polish ambassador to the United States. Yesterday another newspaper reported that he could become a deputy prime minister. Do you know anything about this?

[Rokita] I think that it would be very interesting and useful. I fully appreciate the world of journalism and I enjoy cooperating with it. However, it would be good if a serious debate on the state of Polish political journalism could be held in the future. Incidentally, yesterday I had a very interesting conversation on this subject with one of the most prominent, I think, Polish journalists, Mr. [Ryszard] Kapuscinski, who confirmed my very skeptical suspicions in this area.

[Woyciechowski] Do journalists concoct some strange stories, cite names, only so that another journalist can ask a politician about it the next day, who denies it, and a new article can be written on it? Is this how they act?

[Rokita] Well, this is a terribly pessimistic appraisal, but I get the impression that this mutual penetration of the world of politics and the world of journalism fosters a situation in which printed political information is increasingly based on rumors. I think that this, in any case, is wrong.

[Woyciechowski] Let us then change the subject. Has Dyka lost Suchocka's trust? What do the 48 hours mean? Who has lost Suchocka's trust?

[Rokita] Prime Minister Hanna Suchocka told the head of the Ministry of Justice that she lost trust in the prosecutor's office. The prosecutor's office, as it is known, consists of the attorney general and his deputies. Specifically how the issue will be resolved, that is who will have to resign and do it today...

[Woyciechowski, interrupting] Today by what time?

[Rokita] Today the 48 hours will pass.

[Woyciechowski] At what time?

[Rokita] Late in the afternoon, let us say, but let us not be overprecise here. How the problem will finally be solved lies exclusively with Prime Minister Hanna Suchocka and Minister Dyka. So, I cannot answer this question. What is important in the problem, at least as I see it, because I fully share the prime minister's views, is the fact that in the Ministry of Justice, or in the public prosecutor's office, now I am stating my own personal opinion, a highly punishable act has been committed. It was an act which could provide ammunition for the most radical opponents of Hanna Suchocka's government. It could ridicule the office of the president, as well as one of the opposition leaders. Finally, the victim of the affair would be Suchocka herself as guilty of creating the entire situation. The idea that a man who some time ago demanded ten years in prison for Frasyniuk should be now allowed to fill a similar role against Jaroslaw Kaczynski could have been concocted only by a provocateur. I am saying this, with full responsibility, and I am also aware of the acuteness of the words which I am using.

[Woyciechowski] How has it happened that such a man is still working? That such a man can be a prosecutor? Has there not been a review of cadres of which so much is being said? The question is addressed to the right person because you know the prosecutors who worked 10 or 12 years ago. Is it difficult to find a new prosecutor?

[Rokita] Well, it was like this. In 1989 and 1990, there was very little time, two months, I think, I cannot remember precisely, it was during Minister of Justice Bentkowski's term in office. All prosecutors were recalled on the basis of the law and the attorney general was given little time to reappoint them....

[Woyciechowski, interrupting] They were reappointed?

[Rokita] Yes, they were. It was done in a mechanical way and, as far as I remember, the former staff of the General Prosecutor's Office and voivodship prosecutor offices were not reappointed. In reality, there was no time, knowledge, or the technical possibility of checking out all of the prosecutors. What is more, even if you had thrown them out, where would you have taken new ones from? You become a prosecutor in a few years, not overnight. You cannot take a man from the street and tell him to work in a prosecutor's office, just as a man from the street is taken and told to work in the parliament, in the government, or some other place. It is far more difficult in the case of a prosecutor's office.

[Woyciechowski] Let us change the subject once again. The decrees, the government bill on the decrees is already in the Sejm. The government is asking for a fast examination of the bill. What does fast examination mean? What are its chances?

[Rokita] Fast means in a priority mode. This was created as a parliamentary precedent in the Constitution, adopted by the Sejm in December, and signed by the president. Unfortunately, it so happens that the Sejm has not yet defined what priority mode means, and this is very important. Generally speaking, we want the priority mode to mean that the bill on the decrees will be examined during a first reading at the nearest Sejm session. Then, there will be a period of a few days when the Sejm committee will examine it, and it will be ready for adoption at the next session. Finally, after a few days, it will be adopted by the Senate and the president. This, in fact, means that the bill should be in force by the end of February or the beginning of March at the latest, so that the government can issue the first decrees on 1 March.

[Woyciechowski] Is it certain, or rather, is it very likely that the bill will be adopted by the Sejm?

[Rokita] I think that it is very likely that the bill will be adopted by the Sejm and that the controversy is rather about the substantive shape of the rights...

[Woyciechowski, interrupting] And not about the rules.

[Rokita] The controversy is about whether the government should regulate certain self-government issues with decrees. The rule is rather not disputed, not only in the coalition, but even in the parties outside the coalition.

[Woyciechowski] Let us change the subject once again to deputies and ministers. This is a slogan which has appeared quite recently. The idea is that in Poland, as in many other countries, for example, in France, a deputy who becomes a minister should abandon his functions and should be replaced by the next colleague on the party list. Have I summarized the idea correctly?

[Rokita] A great idea.

[Woyciechowski] How to do it?

[Rokita] This calls for changes in the laws. That is, it calls for a change in the election law, and I am afraid that it may also require some constitutional changes. So it would require substantial parliamentary unanimity. The idea is great because first, a minister is not capable of fulfilling his duties as a deputy. I know this from my own experience. I mean, I try to be more reliable than many other deputies because I can run, within a few minutes, from the Office of the Council of Ministers to vote. Of course, as far as the work in committees is concerned, I would have to neglect my work in the ministry, and there is no such possibility. Secondly, there is, at least in my opinion, a substantial difference in the point of view between a deputy and a minister. These differences should not be linked to the same person. This does not do any good.

[Woyciechowski] What about this temporary substitute? Do you remember whose name was after yours on the list?

[Rokita] Of course I do. He is a fine lawyer from Krakow, Professor Andrzej Gabel, but he did not win a seat in the Sejm, and if we created such an institution, I would gladly let him replace me while I work at the ministry.

[Woyciechowski] I would like to finish the conversation in a moment. I would like to change the subject once more and talk to Rokita the lawyer about the case of slander. Yesterday we hosted Mr. Wende, who also talked about it. What does such a case consist of? How difficult is it? What has been the practice? Can you say a few words about this? Have you ever worked on such a case?

[Rokita] Yes, I did. And it was pretty well-known at that time.

[Woyciechowski] Did you win it?

[Rokita] Yes, I did, and in rather special circumstances. In late 1980's, in 1987 or 1988 I think, I cannot remember exactly when, I won a case about the violation of personal property. So it was a case very similar to a case about slander. It was a case against the Krakow Security Service. At the time, it was a certain breakthrough in the relations between the citizens and the Security Service in Poland. The Security Service apologized to me in the Krakow papers. But, these were different times, and that was a different situation. It so happened that it was a fairly independent court of law. The problem is that cases of personal property violation are extremely complex as far as the legal proceedings are concerned, and they are usually very long cases. So this is not a tool that would be effectively applicable to political slander. First of all, it is an instrument which requires a lot of time; today you are called a rascal and you will receive a verdict from the court of law in eighteen months. For a politician it is no good, that is one thing. Secondly, what Poland lacks today is radical financial responsibility for those who slander, particularly in politics. I would like to introduce it, but we still have problems in the Council of Ministers, because the lawyers are to some extent opposed, as is the Minister of Justice. Well, I am convinced that if a politician, a paper, or a publisher would be financially ruined to the end of their lives for falsely accusing another politician, and even if the case was very lengthy, then, perhaps the Polish political life would look a little better than now. I will keep persuading both Hanna Suchocka and the ministers that such, even extraordinary legislation, should be introduced in today's special Polish circumstances. It would be very useful.

[Woyciechowski] And let us say that this is the case in many Western democracies.

[Rokita] Yes, that is right. There would be nothing antidemocratic or wrong with it.

[Woyciechowski] It is very late now. One short question at the end. If Rokita the lawyer were visited by two customers, Kaczynski and Wachowski, and it would be up to Rokita the lawyer who to defend, because it is easier, or guarantees success, which one of them would he choose?

[Rokita] I did not follow the case very closely, but I think that in case of a lawyer the problem of the fee is also very important.

[Woyciechowski] Thank you very much for the conversation.

[Rokita] Thank you.

Government, Solidarity To Form Industrial Policy

AU0102134193 Warsaw PAP in English 2031 GMT 27 Jan 93

[Text] Warsaw, Jan. 27—The government is to formulate a strategy for the development of Polish industry [illegible] together with representatives of the Solidarity trade union. This was decided at a meeting between Deputy Premier Henryk Goryszewski and leaders of the Solidarity trade union in Warsaw on Wednesday [27 January], according to the Government Press Office.

Goryszewski had declared at the meeting that the basis for Poland's economic development should be energy saving, profitable and modern industries which could compete in foreign markets.

The question of finance for areas of structural unemployment (including income tax reductions) was discussed as was the situation in Mielec, the problem of unemployment in Koszalin and Slupsk provinces, and restructuring in the Lodz region.

Negotiation procedures between the government and Solidarity were also discussed.

The union side wanted the work on legislation concerning the "pact on state enterprises" to go through the fast legislative track and stressed the importance of establishing the institution of the state treasury.

Goryszewski, says the Press Office, "fully understood" the union's demands but stressed that the state treasury bill needed careful legislation considering the importance of the institution in creating a new economic model for Poland.

After the meeting, Marian Krzaklewski, the Solidarity leader stressed that the union did not agree to negotiations which only ended with the signing of protocols. "The deputy premier responsible for economic affairs should know how agreements are put into effect," he said.

Krzaklewski added that this was the first time that a meeting with the deputy premier had taken place despite the fact that negotiations with Solidarity had already lasted some months.

Goryszewski maintained that he and the union saw many industrial problems in much the same way, the two sides differing on the question of the reason for the current state of affairs.

After a meeting with the presidium of the Solidarity National Commission, Finance Minister Jerzy Osiatynski said that the government did not see the possibility for setting tax thresholds other than those proposed in the draft budget and for financing budget deficit higher than 81 trillion zlotys ($5.2 billion).

According to Osiatynski, an increase in the indexation of [illegible]s in the public sector could lead to the necessity of [illegible]bstantial reduction in the workforce.

Solidarity Head Urges Steps Against Unemployment

AU0302110693 Warsaw PAP in English 1847 GMT 30 Jan 93

[Text] Walbrzych, Jan. 30—Solidarity chairman Marian Krzaklewski appealed today for widespread urgent measures at all levels to tackle the growing tide of unemployment in Poland.

Speaking at the close of a 3-day seminar on the problems of unemployment, held in the depression-hit southwestern Polish city of Walbrzych, Krzaklewski said that action to deal with unemployment was one of the main demands of the Solidarity trade union.

"This struggle cannot just be a matter for the central authorities," he stressed. "Effective measures can only be tackled at local levels, where the understanding of the specifics of the possibilities and needs of a region are best understood."

The seminar, organised by Solidarity's lower Silesian regional board, "raised many issues which we hope will help parliament and the government to take effective decisions," said the board's deputy chairman Zbigniew Senkowski. "We are also looking for greater interest in the problem from local councils,"he added.

At the final session, delegates approved a motion protesting against recent price rises.

Kaczynski Calls for Walesa's Dismissal

LD0102202193 Warsaw Third Program Radio Network in Polish 2000 GMT 1 Feb 93

[Text] Center Alliance [PC] chairman Jaroslaw Kaczynski has said that the first step toward the resolution of the political crisis situation in Poland ought to be the honorable dismissal of Lech Walesa. Kaczynski announced that he will this week present specific information on the subject of the Social Committee that is to concern itself with the president's past, and also the possible preparations for new presidential elections. The PC chairman revealed that Jan Olszewski and Jan Parys are taking part in the preparatory work.

Spokesman Says Kaczynski Facing 'Political Death'

LD0202113693 Warsaw PAP in English 1045 GMT 2 Feb 93

[Text] Warsaw, Feb. 2—Presidential spokesman Andrzej Drzycimski stated in an interview for Radio "Zet" on Tuesday [2 February] that Centre Alliance (PC) leader Jaroslaw Kaczynski's recent attacks on the president result from a frustration of a man who is losing political backing and added that "it is a political death of a frontline politician" who can no longer be taken seriously.

The presidential spokesman predicted that, as a consequence, Kaczynski may lose his parliamentary seat, end up morally depraved or become the next Tyminski (former controversial presidential candidate and leader of the Party "X").

According to Drzycimski, Kaczynski's recent attacks are aimed at destroying people surrounding the president. These are not constructive actions but attempts designed to take people to the streets, he added, stressing that Poland chose the road of peaceful transformations.

Drzycimski said that the president would like to see the political vetting issue dealt with as quickly as possible and has himself taken steps to facilitate the process.

Kaczynski Seen as Waging 'War' Against Walesa

AU0202205593 Warsaw ZYCIE WARSZAWY in Polish 30-31 Jan 93 p 2

[Jerzy Wysocki editorial: "Kaczynski's Next War"]

[Text] One politician has compared Center Alliance chief Jaroslaw Kaczynski to Herostrates, who destroyed a temple in order to attract attention to himself. That is exactly what the Center Alliance leader seems to be doing. He is doing everything he can to break the negative impasse that is pushing him to the political sidelines. Hence the determination and radicalism with which he has declared yet another war at the top of the political power structure. However, wars are destructive. Kaczynski wages them ceaselessly against everyone. Heading a fragmented political party and a parliamentary deputies club that has shrunk to half its former size, he no longer has the power he had when he was still considered the most capable politician of his generation. Perhaps that is why he is resorting to increasingly powerful weapons. This time, the weapons are secret files and street demonstrations.

It took a long time for him to reach a decision. He considered joining the ruling coalition, but no serious talks on this issue ever took place. He thought it would be possible to overthrow the Suchocka Government, but there were not many people interested in doing so. Having developed doubts about the effectiveness of parliamentary politics, he made use of an arsenal of nonparliamentary tactics. Perhaps that is why he is less concerned about the collapse of Polish democracy. But again, perhaps the reason for his lack of concern is the fact that the defense of democracy has ceased to be a catchy political slogan.

Kaczynski's main slogan and incentive is now a struggle against the Belweder. By accusing the president and his closest aides of having links with the secret service, he is suggesting that the policies of the Belweder are nonsovereign. He would have society believe that Poland remains within the sphere of Soviet influence, and that the economic and political life of the country is determined by a network of secret service connections. At the same, time, this is supposed to be a reply to the rhetorical question which Jan Olszewski asked on the dramatic night of June 4—Whose Poland is it?

Last spring, these tactics turned out to be ineffective. The Olszewski Government fell precisely because of secret police files. This was not just a political calamity. It is not the people suspected of being secret police collaborators who lost society's trust, but the politicians who, intent on clinging to power, indulged in deception, rumors, and blackmail. Needless to say, Olszewski's cabinet displayed a level of incompetence similar to that of the Soviet putschists. By attacking everyone at the same time, it turned the tables on itself. It lost through its own fault.

But Jaroslaw Kaczynski was not involved in that. He is not a man to make such mistakes. Therefore he has chosen the Belweder as his main target, an easy tactic considering the fact that the president has lost much of his popularity.

Who is Kaczynski counting on? The main political forces are gathered inside the ruling coalition, which relies on good relationships with the Belweder to survive. Therefore a lot depends on the Belweder. If Walesa continues to consider a presidential type of government and attempts to give the Suchocka Government the power to rule by decree, some members of the parties that form the ruling coalition may turn against the Belweder. That is what Kaczynski wants. Even a neutral government stance toward a confrontation with the Belweder would be advantageous for Kaczynski,.

He is suggesting early presidential and parliamentary elections. His strategy is aimed at winning over the electorate. But voters consider socioeconomic issues more important than agents and files. Although Kaczynski supports an increase in the budget deficit, he cannot be accused of not wanting modern capitalism in Poland. How to support the economic changes while heading a crowd of people disappointed with these changes is a problem Kaczynski has already dealt with in previous campaigns.

In the past, he blamed nomenklatura setups for the bad state of the economy. Now he is putting the blame on businessmen, bankers, and high-ranking officials for their secret police links. "Capitalism yes, distortions no" is a slogan that, for Kaczynski, contains the key to rescuing the economic reforms. However, it is becoming increasingly difficult to achieve success by cheating the voters, and any such success is increasingly shallow. The voters have already been disappointed on more than one occasion by believing in simple explanations. They also have an increasingly better understanding of economic principles.

Therefore Kaczynski's chances of succeeding in his strategy are not great, and his calculations involve considerable risk. But he does not have a lot to lose, and politicians who do not have much to lose tend to be unpredictable.

Olszewski Views Center-Right Alignments

AU0202204393 Warsaw RZECZPOSPOLITA in Polish 28 Jan 93 pp 1, 2

[Interview with Jan Olszewski, leader of the Movement for the Republic, by Malgorzata Subotic; place and date not given: "A Great Stir"]

[Text] [Subotic] Why do you and your group not want to join the march to the Belweder organized for this Friday [29 January] by Jaroslaw Kaczynski?

[Olszewski] At the first conference of the Movement for the Republic [RdR], which ended a few days ago, I said in general terms that we should avoid a situation in which the most important issues in public life are settled in the streets. The media interpreted my statement as a rejection of participation in Friday's demonstration. That was—to use a term that has become fashionable—an "over interpretation."

[Subotic] So, you will take part in the march organized by Jaroslaw Kaczynski?

[Olszewski] We have not received a concrete proposal, but I do not think that the RdR will take part in it. The organizers have, I think, their own preferences.

[Subotic] I am somewhat surprised by your cool attitude toward Kaczynski's idea, because a rapprochement between you has been very noticeable recently.

[Olszewski] We have recently been witnessing a rapprochement between many center-right groupings. Before Christmas, during the strikes in Silesia, we signed an agreement on cooperation.

[Subotic] Who do you mean by we?

[Olszewski] Above all, the RdR, the Center Accord [PC], and the Christian-Democratic Labor Party.

[Subotic] Does that mean that Kaczynski has forgiven you for "trimming down" the PC and has decided to support you as a candidate for the presidency?

[Olszewski] Please ask him about that. As for the second part of the question: The issue of new presidential elections does not exist for the time being.

[Subotic] Do you think that Lech Walesa will remain president until the end of his five-year term of office?

[Olszewski] I do not even know if the entire system will survive until the end of the term of office. A fundamental task for the current Sejm is the passing of a Constitution. If parliament performs that task as quickly as possible, then we have that declaration by the president that he too will step down. Following the adoption of a new Constitution, we would have both early parliamentary and presidential elections.

[Subotic] But is this Sejm in a position to achieve sufficient agreement to pass a Constitution?

[Olszewski] It seems very unlikely to me that the Sejm will be able to perform that fundamental task. That is also why we believe that elections should be held before the end of the whole term of office. Everything should become clear within a year.

[Subotic] At Sunday's RdR conference, why did you criticize the president so harshly for failing to sign the law on military and police pensions?

[Olszewski] The president failed to sign the law because of one of its provisions: the one depriving people responsible for imposing the Stalinist system on Poland of their pension privileges. Do you think one can avoid assuming a stance based on principle on that issue?

[Subotic] But the president did assume a stance?

[Olszewski] Indeed, and that is exclusively a political problem: coming out in favor of this or that side.

[Subotic] Perhaps we could try to define those sides.

[Olszewski] Either the side that represents the interests of the PPR and the leadership of that period or the rest of society, that is, everyone else. By vetoing the law on military and police pensions, the president broke with the "Solidarity" tradition. He ceased to be its symbol.

[Subotic] Today, what unites you with Jaroslaw Kaczynski and his political allies?

[Olszewski] Our views on the basic cause of the divisions that now exist in Poland and the problems that we face.

[Subotic] Could you be more specific?

[Olszewski] That is very simple. Our joint position took shape on the night of 4 to 5 June. It was in answer to a question that was formulated at the time: Who does Poland belong to? Despite the differences between myself and Jaroslaw Kaczynski, the answer to that question of paramount importance is what unites us.

[Subotic] So, who does Poland belong to?

[Olszewski] You have some doubts about that?

[Subotic] I would simply like to hear what you think.

[Olszewski] I said what I had to say on that subject on the night of 4 to 5 June. Tens of millions of people listened to me, and I see no reason to repeat myself. It would be an expression of disregard for the readers if I were now to present a summary, and it would take up a lot of room in a newspaper that is edited in a manner that reduces things to their essence.

[Subotic] What differences are there between you and Chairman Kaczynski?

[Olszewski] There were and are differences between us. If that were not the case, then our groupings would have merged a long time ago. There are also differences about our style, with Jaroslaw Kaczynski being above all a politician who tactically plays off parties against one another in the forum of parliament. I, on the other hand, currently represent a grouping—one that is incidentally marginal in parliament—that wants to draw up a full program, an alternative to the current political setup, and from that point of view, participation in government coalitions, undermining coalitions, and the entry and departure of coalition partners does not interest us.

[Subotic] Are you suggesting that such quadrilles interest Kaczynski?

[Olszewski] I am not suggesting anything. I am only reminding you that Jaroslaw Kaczynski is someone who was very actively involved in this kind of maneuvering, with varying degrees of success. For us, however, this very area of activity we do not find interesting.

[Subotic] Perhaps Chairman Kaczynski has already moved outside parliament by, as you put it, tactically playing off his parties against each other? Perhaps he is actually trying to move onto the streets and settle matters there?

[Olszewski] I do not think that Kaczynski will try to settle anything in the streets.

[Subotic] What then, in your opinion, do the recent statements and, more generally, the activities of Kaczynski, Jan Parys, Antoni Macierewicz, and Adam Glapinski indicate?

[Olszewski] They published a book together, *The June Frauds*, [Lewy Czerwcowy] which has nothing at all to do with activities in the streets. It is the legitimate right of people who are active in public life.

[Subotic] However, the publication of the book surely marks the beginning of a new stage in Polish public life?

[Olszewski] It is still too soon to be able to say that with certainty. There is no doubt that the book has caused a great stir.

[Subotic] In what way?

[Olszewski] To the extent of the debate surrounding the book, the commotion it has caused in the mass media, and politicians' statements. At the moment, it is an import factor influencing political life. The questions that you are putting to me also confirm that.

[Subotic] Perhaps Jaroslaw Kaczynski and his political allies want to exploit this commotion for some wider campaign, whose object is not very clear?

[Olszewski] I think that Kaczynski says what he is concerned about. He believes that certain issues should be explained.

[Subotic] What issues?

[Olszewski] That of Minister Wachowski for one. That and many other issues should be clarified.

[Subotic] On whose side are you in the Kaczynski-Wachowski conflict?

[Olszewski] I am perhaps not as much on the side of good manners as on that of observing certain elementary principles in public life. If a charge is made that discredits a politician, then it should be explained as quickly and as thoroughly as possible.

[Subotic] Who should do that?

[Olszewski] That is exactly the question that should have been asked sooner. It was forced to the sidelines of Polish political life for three years. The policy of wiping the slate clean was an attempt to eliminate it. But the question keeps returning, and it does so along with high costs.

[Subotic] What high costs do you mean?

[Olszewski] Once, when I was taking issue with Lech Falandysz at a meeting of the Citizens Committee, I pointed out the following: We have received a bomb in the form of the material left by the special services of the previous administration, and if we do not defuse that bomb soon, then it will simply blow apart the foundations of our statehood. It is a very real danger that we face.

[Subotic] But is Jaroslaw Kaczynski not the person who is lighting the fuse?

[Olszewski] No, the fuse is self-igniting, and the more we postpone the attempt to defuse it, the greater the danger.

[Subotic] What did your government do about it?

[Olszewski] A basic mistake made by my government was to fail to appreciate the urgency of the problem. We concentrated on economic matters.

[Subotic] So, as what your government did in practice shows, the economy is what matters most, not [political] screening.

[Olszewski] Yes, but without a solution to the problem of screening, the life of the state might be so profoundly disrupted that it would be impossible to continue with institutional-economic changes.

Conservative Party Head on Anti-Walesa Feeling

AU0302115893 Warsaw GAZETA WYBORCZA in Polish 29 Jan 93 p 3

[Interview with Conservative Party leader Aleksander Hall by Dominika Wielowieyska and Wojciech Zaluska, date and place not given: "A Pitiful Game"]

[Text] [GAZETA] Are you taking part in today's march on the Belweder?

[Hall] No. Forcing the president to resign through street protests could cause destabilization. The left wing is the only group who would stand to profit from this. It could shake the country's democratic institutions.

[GAZETA] But you also oppose the Belweder.

[Hall] I would not like to be made to choose between the Belweder and those opposed to it. One should maintain a distance from this dispute. Nevertheless, the past two years have hardly strengthened Lech Walesa's prestige. Not only has he failed to fulfill his election promises, some of which were impossible to fulfill in the first place, but he has also displayed a lack of modesty and failed to try and understand the situation. One also can see a high degree of self-satisfaction in him.

In words, fortunately not in deeds, the president also displays a disrespect for democratic institutions, for example when he announces rallies in front of the offices of newspapers that write harshly about him.

The Wachowski issue must be resolved, of course, and a civilized screening process carried out. It would be very bad if we were given the choice of either the people described in the *June Frauds* book, with their version of Polish politics, or the people thriving on the dark politics of the president. One must not allow such a choice to come to pass. There are many people in parliament who would not like to have to make such a choice.

[GAZETA] In his battle against Walesa, Kaczynski is taking to the streets and acting like a revolutionary, whether he wants to or not. Walesa is consolidating his position by appointing his own people to key posts in the police and news media. Do you not fear that there is no use in appealing to parliamentarians because the parliament might find itself pushed onto the sidelines?

[Hall] You are right. The Belweder is making rather disturbing moves. A lot depends on the ruling coalition and on the behavior of the prime minister, who should respect the president's constitutional powers and not take sides in the dispute. There is a difference between respecting the constitutional powers of the president and supporting every single one of his actions, including restrictions on the independence of the media.

[GAZETA] Do you think she fails to perceive this difference?

[Hall] I think she does perceive it. Let us hope she continues to remain impartial in the dispute, especially because we are in desperate need of authorities who are not involved in this pitiful game.

[GAZETA] Do you see the emergence of a political camp that will not be involved in this "pitiful game"?

[Hall] What is needed is a broad coalition that will not blindly obey the president and carry out the Belweder's instructions. On the other hand, I would not want to go out in the streets and force Walesa to resign. One has to respect the decision of the electorate and the constitutional deadlines. None of Walesa's faults was known to Kaczynski and the others when they proposed him as presidential candidate. Therefore it is difficult to trust politicians who have caused such a mess after 18 months or so.

[GAZETA] Do you agree with them that Walesa should go?

[Hall] If he himself thinks he should go, then he should do so. The Constitution does not foresee any other way for him to resign.

[GAZETA] Has the balance between the government and Belweder not tipped in the president's favor?

[Hall] Not yet. There is a lot of evidence, however, suggesting behind-the-scenes pressure on state television. When setting up the State Radio and Television Council, the Sejm will have to decide whether the Council will be dominated by people belonging to the ruling coalition or whether it will have a pluralistic composition. That will be an important indicator.

[GAZETA] Should Wachowski go?

[Hall] The president has the right to choose his aides, but we all know Wachowski's background, and it does not seem good that he is Walesa's number one. I am not a member of the government, and I do not know Wachowski's relationships with various individuals, but if the coalition parties or individual ministers do not defend their independence, they cannot expect the public to respect them.

[GAZETA] The coalition is divided, and the prime minister's position is weak. Does that mean the Belweder will assume power?

[Hall] The coalition is hardly a model of solidarity, but the politicians should bear in mind that the choice is either the kind of coalition we already have or presidential rule. I think common sense and a feeling of responsibility will prevail.

* Discusses Party Program

93EP0129B Gdansk DZIENNIK BALTYCKI in Polish 16 Dec 91 p 3

[Interview with Aleksander Hall, Conservative Party leader, by Barbara Szczepula; place and date not given: "There Is a Difference Between Labuda and Urban"]

[Text] [Szczepula] Conservatives in Poland is an absurdity, says Janusz Lewandowski. After all, there is nothing to conserve here.

[Hall] That is not true. Insofar as values are concerned, there is a great deal to conserve. For example, the traditional moral standards, recently very shaken, on which the European civilization was built, and particularly the system of ethics stemming from Christianity. Certainly the desire to preserve national identity—that is, thinking about a Europe in which this community will be protected. And, in addition to the fatherland, the rebuilding of local communities, destroyed by the war, resettlements and communism.... I assure you, there is something to conserve.

[Szczepula] You call your party a party of the modern right. But can it be modern and conservative at the same time?

[Hall] Judging by the British conservatives, it can because an innovative economic program and the desire to reform the country can be combined with the acceptance of the traditional values of which we spoke. There is no conflict here. And that is what Polish conservatism should be.

[Szczepula] You have been attacked from all sides. A GAZETA WYBORCZA journalist even called you a "parricide." Did you also offend Tadeusz Mazowiecki?

[Hall] He did not indicate that to me in any way. The fact that I abstained from voting in the elections for the chairman of the Constitutional Commission was the most I could do. I believe Tadeusz Mazowiecki to be a politician of the highest integrity, but I am not an independent deputy. I am bound by the decisions of my Polish Convention Parliamentary Club.

[Szczepula] You also criticize the republicans who joined the Conservative Party (PK). One of them said during the merger conference that your name is associated with political fence-straddling and jumping from one sofa to another.

[Hall] I have not changed my views, as you can clearly see when you follow my speeches, published materials, and political initiatives and actions. They are all consistent.

[Szczepula] In the end, then, what you are doing is forming a right-wing party, but you are choosing a disastrous moment in which to do so. You say yourself that the fashion for the right is passing.

[Hall] Unfortunately. It is passing because the public's perception of the right has changed. It was in fashion immediately after the communists were removed from the government because the majority of the people had enough of communist ideology and PZPR [Polish United Workers Party] dictatorship. But it soon turned out that all of those years spent in "real socialism" shaped society's notions about the state and about the economy. The people were not at all repelled by jobs in a state enterprise in which wages were paid regardless of whether one worked well or badly, and no one was fired from a job. Those are strong habits, apparently.

[Szczepula] And the existing right-wing parties—did they themselves not contribute to the fact that the fashion for the right is passing?

[Hall] Naturally, the mistakes of the right wing are not insigificant. Some people of the right wing presented themselves as those to whom only economic success is important....

[Szczepula] The liberals?

[Hall] And, on the other hand, the right wing showed itself to be a rigid, impermeable organization, holding a patent on the truth....

[Szczepula] The Christian-National Union?

[Hall] Or a right wing defining itself only through anticommunism...and the search for confidantes.

[Szczepula] The Movement for the Republic?

[Haii] I think your questions are legitimate.

[Szczepula] Are we, then, being threatened by a socialist reaction?

[Hall] I believe that such a wave is growing. There is more and more talk about state intervention, and the threat of privatization and the ransoming of Poland is used. But, when it comes to solving economic problems in parliament, most of the deputies become socialist. The Ministry of Finance's tax policy, the role of the trade unions in the state arouse serious reservations....

[Szczepula] You are coming out against Solidarity?

[Hall] Of the existing trade unions, Solidarity is the most important one because it tries to assume joint responsibility for the country. Generally, a model in which the trade unions want to boss the government is a bad one. The example of Great Britain in the 1970's proves this.

[Szczepula] Insofar as the relationship of the conservatives to the Church is concerned, it appears from your documents that you see two dangers.

[Hall] First, the treatment of religion as a political ideology. This oversimplifies the matter because one can be a Catholic living according to the Gospel and have liberal or even social economic views.

[Szczepula] And the second danger?

[Hall] That is the broad social current now that would like to remove the church from public life.

[Szczepula] To whom are you referring?

[Halll] To the people who formerly in the church sought freedom, who demanded that they be allowed to speak out on public matters but now want to eliminate it from public life, who are outraged when the church reminds them about the truths of faith, about the public dimension of religions, when it makes certain demands pertaining to public life. But there is a difference between them and the position of the people from the newspaper NIE, who simply talk with hatred about religion and the clergy. There is nothing sacred that they would not ridicule.

[Szczepula] Barbara Labuda does not ridicule certain values?

[Hall] I do not agree with her viewes, but there is a difference. Although I maintain that those who are pushing for a referendum are doing Poland a very bad service. Primarily because it would cause a cold civil war.

[Szczepula] I read in GAZETA WYBORCZA that the conservatives hope that Hanna Suchocka will join them.

[Hall] Of course, that would be an honor for us. Indeed, on many questions, our method of thinking about Poland's affairs coincides with Ms. Suchocka's thinking. But I believe that the Conservative Party must first show that it means something in society and in parliament. Then, I think, it will be attractive to many politicians.

* * *

The Conservative Party was formed on 6 December from a merger of Aleksander Hall's Forum of the Democratic Right, the Republic Coalition, in which Michal Wojtczak was chairman, and the Silesian Liberal-Democratic Congress group, represented in the Sejm by Andrzej Raj. Dariusz Smialkowski, Gdansk vice president, became one of the vice chairmen of the Conservative Party.

Social-Democrat Party Holds Anniversary Meeting

*AU0302141793 Warsaw TRYBUNA in Polish
1 Feb 93 pp 1, 2*

[Piotr Lapa report: "Three Years of Positivism"]

[Text] The Social Democratic Party of the Republic of Poland [SdRP] celebrated its third anniversary by holding a meeting at its assembly hall in Rozbrat Street, Warsaw, on Saturday [30 January]. "After three years of existence, we are not ashamed of our program," said chairman Aleksander Kwasniewski. "We have a better concept of economic and social matters than the authorities. We did not develop these concepts to earn recognition, but to help Poland and our voters. The most important thing is that people are beginning to appreciate the truth and are withdrawing their support for those who pushed Lech Walesa into the Belweder and are now trying to pull him out of there. Our programmatic consistency and responsibility are gaining acceptance, and not just among people of the left wing. Our political competitors value us not only because we are capable of holding rallies, but also because we perform good work in parliament. Self-denial, dialogue, and joint decision-making has become an important style of work for deputies and senators. It is all the more important because under a coalition, which Poland is destined to have for a long time to come, forcing one's own point of view leads nowhere at all."

Other leaders of the SdRP and Alliance of the Democratic Left [SLD] also spoke.

There was a lot of talk about left-wing issues. It was stressed that the left wing does not mean just the SdRP and SLD. The entire left wing is consolidating itself, it was said. The Union of Labor has already held its congress. Although dialogue with the Union is often still non-existent, there are many topics on which we share similar views. The Union of Labor is not in competition with us, though it has to be admitted that rank and file members of the Union are more keen on cooperation with the SdRP and SLD than its leaders."

Over a dozen speakers referred to the fact that Polish politicians fail to appreciate morality in politics. After all, someone said, there is a principle that says do not do unto others what you would not have them do unto you. Lech Walesa and Jaroslaw Kaczynski would do well to remember this.

The SdRP is accumulating experience thanks to the work of its local government councillors, who are already quite numerous in several towns and country districts. They are taking responsibility upon themselves. So are deputies of the SLD, who recommended that the Sejm adopt a Charter of Rights and Freedoms. This document was rejected because it was considered reminiscent of the socialist past, but that is not the end of the matter.

More and more people, and not just poor people, are convinced that it was a mistake to reject the Charter. Therefore the SLD will not agree to the president's version of the Charter unless it contains certain social safeguards.

The SdRP will present a composite stance on Polish politics at its March congress, where it will also present its proposal for a new Polish Constitution.

In conclusion, the SdRP meeting adopted a resolution as follows:

"We people of the left, gathered on the third anniversary of the foundation of the SdRP, hereby demand:

"—A discontinuation of the policy of ignoring the fundamental social and civic rights of working people;

"—An end to the campaign of limiting women's rights, which is a disgrace to Poland;

"—An end to the political struggle being fought by means of lies, slander, and the deception of citizens.

"From the ruling camp, we demand:

"—Concrete measures to protect the standard of living and to defend Polish democracy;

"—An adherence to the constitutional principles of a law- governed and secular state that accords all citizens equal treatment.

"Things cannot continue this way. We call upon all Poles to struggle in the defense of their rights, including the right to live a dignified life in their own country without fearing the future, without ideological pressure, and without a feeling of personal and national calamity."

Union of Labor Leader on Political Stability

PM0102114093 Opole TRYBUNA OPOLSKA in Polish 23-24 Jan 93 p 1

[Interview with Ryszard Bugaj, Sejm deputy and Union of Labor leader, by correspondent Marek Burczyk; place, date not given]

[Text] [Burczyk] The year 1993 is still very young. In your opinion, what dangers to the economy can we expect as the days and months go by?

[Bugaj] Our economy is particularly threatened by at least three factors. First, a further deterioration in the public finance sector in circumstances of a profound budget deficit; this means a slow death to the so-called budget-funded sector, that is, education, scientific research, health service, and defense, and also a blockage of even the most modest support for the slight manifestations of new economic growth which are to be found in a few select areas. Second, a major proportion of our state industry is under threat of mass bankruptcies which hangs over so many enterprises like the proverbial sword of Damocles. This is a scenario which has already come true in a vast number of state farms [PGR] and which is now knocking on the door of the mining sector. The consequences of such a course of events are simply unimaginable. Third, there is the continuing disaster of unemployment. It is certain to reach the ceiling of 3 million, and it could even exceed it. I see no chance for the budget to cope with that enormous army of people in any way. In all probability, a great number of unemployed will be left to their fate. It is not hard to imagine the tremendous social tension that this will engender.

[Burczyk] And what about politics? What dangers do you predict there?

[Bugaj] In my opinion the past year closed a certain era in our politics: that of a steadily dwindling, but still existing public support for the liberal formula introducing changes to the state political and social system which has been in force for the last couple of years. Today the vast majority of the population have withdrawn their support for that formula. They do not accept it any longer.

[Burczyk] Do you mean the vast majority of the employed sector of the population?

[Bugaj] Not only them. The situation of small businessmen is also anything but good. Consequently, I predict an increasing resistance of all kinds of social strata to the ongoing political processes. In a situation where there is a profound lack of confidence in almost the entire new political elite—which is quickly destroying its fund of moral authority through its appallingly low political standards and through its involvement in a never-ending series of different frauds and scandals—the forms of protest to which people might resort could be quite drastic.

[Burczyk] So you share the view that we are about to face a social conflict on a large scale, do you not?

[Bugaj) The probability of such a conflict is increasing at a fast rate. Perhaps the last warning was sounded by the miners' protests. That should have given the ruling elites an opportunity to reflect seriously on the situation and to launch some kind of attempt to reconstruct our socioeconomic policy according to people's expectations. Unfortunately, that opportunity has been wasted: The conflict was ostensibly defused by means of vague and unspecified promises.

[Burczyk] Have we no hidden reserves on which to draw? Either economic or political?

[Bugaj] I see certain opportunities in the economy. But the prospects are poorer as regards the political situation. In the economy we still have the chance—albeit incomparably smaller than last year—to effect a maneuver which would definitively halt the vicious circle of stagflation and open up ways to economic growth. After all, we still have the potential willingness to reach an understanding which has not yet been completely squandered; we have cadres of highly trained, top quality specialists. We still have reserves of production capital: It is true that they are being steadily eroded, but they are still there. All the past experience from our relations with various international organizations suggests that we can expect understanding from that quarter if and when we decide to undertake a new attempt at reviewing and amending our economic policy.

[Burczyk] The coming weekend will see the First Union of Labor Congress, which will elect its party leadership and debate the agenda for its party program. It will be a major event that can boost the significance of the so-called "left leg" of our Polish politics—the leg which is still all too weak and lame. In your opinion, does Poland stand a chance of seeing the emergence of a modern left—I say "modern left" in the contemporary European sense of the term—orientation?

[Bugaj] If it did not stand such a chance, it would be very bad news for our country. The left does not necessarily have to rule the country, but a country in which the left is weak is, as it were, doomed to a political imbalance. Examples from many parts of the world confirm this finding amply. I do not see why Poland should be an exception to that rule. Of course, the choice to favor the left orientation could be authentic, but it could also be insincere. For example, it is my belief that a large proportion of the postcommunist political bloc declares an adherence to the left only because they are forced to do so. After all, they could not suddenly change their position too drastically and switch over to the right without suffering a serious loss to their popularly perceived identity and their most elementary credibility.... Both in Poland and on a broader, internationally perceived scale, the pendulum of history, which was until recently inclined far to the right, is now returning to a position of balance. In many countries the right is already in a defensive position. This means that more clement weather for the left should arrive also in Poland. However, it would not be advisable if that swing back to the left were to assume the character of a "frustrated reaction" such is currently evident in Lithuania. Success for the post-communist party, which, as I said, can hardly be regarded as a genuinely left-oriented political power, would certainly not serve to stabilize the situation in Poland.

[Burczyk] You said recently that the [abortion bill] referendum committees, popularly dubbed "Bujak committees," should not be disbanded. Do you perhaps see them as a possible public backup platform for the Union of Labor?

[Bugaj] No, that is not the point. Those committees should remain active as a supra-party movement: a task-oriented structure which could unite people from a wide variety of political options. Their continued existence is, in fact, essential, because we are facing a long and arduous struggle in the defense of the state's ideological neutrality, which is clearly under ever increasing threat.

* Electoral Law Draft Ready for Legislation

93EP0129A Warsaw POLITYKA in Polish No 50, 12 Dec 92 p 3

[Article by Mariusz Janicki: "Higher Limits, Shorter Suffering"]

[Text] *Complaints about the Sejm, not to mention the Senate, are reaching alarming proportions. There is talk here and there about dissolving it before the end of the term, and some people have thought about resigning. There is a rather general belief that this parliament is in large measure the result of the disastrous electoral law. The work of an extraordinary commission that is preparing a new draft of this law is just now ending. Let us look at it to see whether it is better than the previous one.*

The principle of proportionality was retained. Anyway, it would be hard to believe that the deputies who got into the Sejm in large measure, thanks to this principle, would want to reduce their chances for the next term. But we see some creative effort in the draft.

The former electoral law distorted the principle of proportionality. Parties that obtained a preponderance of the votes cast obtained only one more seat than the others, or maybe not even that. The votes came out more proportionally in the case of the "national list," where a special procedure was used. In the new draft, it will also be used to divide up the district seats. And this is something new. The method consists of dividing the number of votes cast for each elections committee by the successive integral numbers, throwing all of the results of the division (figuratively) into a basket and selecting the successively highest 69 numbers in the case of the national list, and from three to 17 in the districts. Now we only have to look to see which number belongs to which committee and count up the seats.

It is difficult to deal with mathematical nuances here, but the point is that this procedure really gives the proportions between the number of votes for a division of seats.

But there is another side to this coin. Such an arithmetical procedure, which gives better results in arriving at a proportion, lowers the percentage limit of votes needed to obtain a seat. Thus, more parties can designate their representative to parliament, which favors more seats.

Three safeguards are supposed to prevent this in the new electoral law. In the previous elections, in awarding seats in the districts, no percentage limit was taken into account. However, in the case of the district list, the limit was 5 percent in relation to the country limit (or it was necessary to obtain a seat in at least five electoral districts). When the list was blocked by several committees, all it took was to jointly obtain this 5 percent, or seats in the necessary number of districts. In the new draft, the criteria were made more strict. Already in the districts, the 5 percent limit of votes cast throughout the country was binding; in the the case of blocked lists, it was 8 percent, so as to be able to obtain at least one seat. It will also be harder to be elected from the district list because here, too, the limit for voting blocks was raised to 8 percent, and for individual committees the obstacle—that is, the requirement that seats must be obtained in five electoral districts—was removed.

Therefore, the commission's guiding principle was as follows: Increase the degree of proportionality, if such an electoral law is to be passed, but, at the same time, raise the percentage limit. This seems to be just; nevertheless, it does not eliminate all of the weaknesses of the previous law. One inconsistency is particularly striking: In the old law, 5,000 signatures were required for the list submitted in the district. The draft of the new law speaks only of 3,000. Here, too, the door to the proliferation of insignificantly small parties could have been closed. Let us add that parties that have at least a 15-person club in the Sejm do not have to collect signatures, and about half of the represented political groupings have such a club. Another change from the law now in effect is the "depersonalization" of voting in favor of "party affiliation," which caused many disputes even before the previous elections. To put it briefly: Votes will be cast for lists, and the candidates will go into the Sejm in the order established by the party. The voter will have no influence on this. This will certainly be opposed by the plenum of the Sejm, and probably rightly so.

Krzystof Krol, chairman of the commission, says that about five parties will go into the Sejm at its next term. This statement is too optimistic. In the last elections, nine parties exceeded the 5-percent limit, unless the political scene in the country is narrowed by alliances and coalitions. And then the danger of a higher limit will be greater.

It is difficult to make an accurate prediction.

The draft of the new electoral law fixes the state subsidy for the election committees: It is to be 20 percent of the state's total expenditures for preparing for and conducting the elections. The subsidy is divided proportionally to the number of seats obtained by a given elections committee. The motion of the Parliamentary Women's Circle that seats obtained by women be subsidized at double the amount was rejected by the commission and will be submitted at the Sejm plenum as a minority motion. Anyway, it was loudly jeered by some of the deputies from the conservative and peasant parties. Doubt was also expressed as to how the openness of financing the elections campaign would be reconciled with banking secrecy.

The new electoral law shortens the time the citizens must suffer the elections campaign on radio and television. In the previous elections, 60 hours of free programming time was granted for campaigning; now it is 30 houurs. Television time has also been reduced from 30 hours to 15. But, because of this, the limit of paid programming was increased slightly.

The previously disputable question of domicile—that is, the requirement that the candidate permanently reside in Poland for at least five years—was settled in Solomonic style in the new draft: It speaks only of "permanent residence," with no time limit. This applies to both the right to vote and the right to be elected.

The extraordinary commission's proposal still has to go through the entire legislative process. Doubtless there will be changes, and it would be well if they brought about an elimination of inconsistencies. The new law looks a little better than the present one, but that did not take very much. It is also important that there be no necessity to change the law every term because repeatability of rules in politics unquestionably has a favorable impact on the quality of democracy.

It is perhaps not the best situation when the principle, and essentially the only, selection of politicians occurs at the time of elections. Verification should occur with the help of other mechanisms, at party and political-movement levels. When this does not take place, the importance of the electoral law grows. Perhaps the next Sejm will be a little better than the present one, although there is still a great deal of doubt about this.

Spiroiu Says Convoy Situation 'Very Delicate'

AU0202190293 Bucharest TINERETUL LIBER in Romanian 28 Jan 93 pp 1, 2

[Interview with Lieutenant General Niculae Spiroiu, minister of national defense, by Stefan Nicolae, on 26 January in Bucharest, after the meeting with Relus ter Beck, defense minister of the Netherlands: "We Must Take Into Consideration the Procedures of Implementing the Sanctions Against Yugoslavia"]

[Text] [Nicolae] Your Dutch discussion partners have informed us that this is the first official visit to Romania by a defense minister from a NATO country? Do you envisage further similar contacts and what do you expect from them?

[Spiroiu] I do not really want to dispute anyone's statements, but, to inform the public more correctly, I should say that three other defense ministers from NATO countries have visited our country. The first was Mr. Pierre Joxe, France's minister of defense, as far back as 1991. Then followed the visit of Turkish Minister of Defense Nevzat Ayaz and the visit of Greece's defense minister. Therefore, one can say that there is a continuity of contacts between the Romanian Army and Defense Ministry on the one hand, and ministers from the NATO countries on the other. This is, indeed, the first visit to Bucharest by a defense minister from the Netherlands—a very important contact because we managed to exchange information on the concerns of the two armies with the restructuring and modernization of military bodies. Similarly, we were able to assess the possibilities of developing cooperation within the collective security frameworks created in Europe after the CSCE conference, and we signed a protocol on a number of actions that will take place in either Romania and the Netherlands. To begin with, these stipulations refer to activities in the sphere of military training. We will probably exchange experiences, too. The Dutch side expressed interest in the equipment and training of mountain troops in our country.

[Nicolae] I would like to ask you a more delicate question. What solution do you see for the problem of the Yugoslav vessels on the Danube that refuse to permit inspection?

[Spiroiu] Yes, you are talking about the vessels previously held in the port of Braila, which have managed to resume their journeys down the Danube in violation of the sanctions imposed. There are set procedures for such situations and a certain authorization was issued by the UN Sanctions Committee in this particular instance. These matters are being discussed by the ministries with prerogatives in this matter. The government will issue a communique (the interview was conducted on Tuesday night—26 January), which will detail the measures to be taken. What is certain is that the detention of these vessels has created a large number of difficulties. The Yugoslav captains of the tugboats have threatened to jettison and set fire to the oil if they are stopped. Even the recommendations of the Security Council and the procedures for the implementation of the sanctions emphasize that material and human losses should be avoided. Therefore, this matter is very delicate and should be dealt with accordingly.

Current Situation Examined

AU0202190093 Bucharest ROMPRES in English 1547 GMT 2 Feb 93

[Text] Bucharest, ROMPRES, 2/2/1993—Tuesday, February 2, Minister of State Dan Mircea Popescu, analyzed with dignitaries and executives in the ministries of transports, foreign affairs, industries, and the interior and in the General Direction of Customs the application of the documents adopted by the government on the observance of the UN embargo on Yugoslavia.

During the talks it was mentioned that the port authorities of Braila and Giurgiu were still detaining some ten barges, most of them loaded with oil.

As for international cooperation in observing the embargo, the Romanian authorities are keeping in touch with the Bulgarian ones, both at a local level and at the level of the ministers of external affairs. Upon Romania's initiative, Romanian and Ukrainian delegations will have consultations in Odessa, Thursday, February 4. The Romanian delegation will consist of representatives of the ministries of foreign affairs and of transports, representatives of the Danube ports, and of customs and guards authorities.

Ways were discussed to bring into Romania rapid motor boats and radar surveillance systems offered by the United States for the monitoring of the situation on the Danube.

Iliescu Views Relations With Hungary

AU0202195893 Budapest NEPSZABADSAG in Hungarian 30 Jan 93 p 7

[Interview with President Ion Iliescu by Pal Eotvos, Pal Bodor, and Peter Mag; place and date not given: "Iliescu: The Disputes Can Be Resolved Through a Realistic Approach"]

[Text] According to news received by NEPSZABADSAG, the long drawn-out Hungarian-Romanian basic agreement has gained in importance for Western politicians. They would see its completion as a political gesture that reduces tension in our region. It seems that, from its most important passages that are seen as matters of principle, only two essential sections were left pending at the meeting of state secretaries in 1992. For the Romanians' part, they require a repeated statement that neither side has or will have territorial demands (although Budapest, among other things by signing the Helsinki Final Act, has already committed itself in this respect). On the other hand, Hungary is requesting written guarantees on respecting collective national minority rights. However, according to the Romanian side, the new Romanian Constitution and national minority policy are exemplary anyway, and Romania has already agreed to adhere to several international documents relating to this issue. Perhaps now, Bucharest appears to be moving from its rigid stance as far as treating the national minority issue (which affects Europe's biggest minority!) as a solely domestic matter is concerned. President Iliescu's positive views on the congress of the Democratic Union of Hungarians in Romania [RMDSZ—UDMR in Romanian] must have been intended as an encouraging sign by Bucharest. Foreign Minister Melescanu met with Bela Marko, the new chairman of the RMDSZ. Even if only in a consultative form, they obviously included the Romanian-Hungarian agreement in their discussion.

NEPSZABADSAG asked President Ion Iliescu for an interview. Our newspaper was represented by Chairman and Chief Editor Pal Eotvos, senior journalist Pal Bodor, and Peter Mag, our Bucharest correspondent.

In the first part of the interview, President Iliescu gave a detailed analysis of the political, legislative, and constitutional processes and those that strengthen the market economy. His views were especially noteworthy on the defensive and isolationist reflexes of the world economy's developed countries and on the untenable efforts toward self-sufficiency. However, our readers are obviously more interested in his important views on the basic agreement, Romanian-Hungarian relations, extremist demonstrations, and on the national minority issue.

[NEPSZABADSAG] Sometimes, on their way to joining Europe, our countries are being hindered by political extremism. Do you think that the effects and influence of, and the reaction to, extremism, which is being characterized as a marginal phenomenon, can be rather dangerous? Do you think that it can prevent modernization and integration into Europe?

[Iliescu] This is undoubtedly true. Our countries are neighbors. To a certain extent, we are close to each other in our development and in the problems of transition. We are interested in utilizing the mutual advantages of our closeness and the complementary nature of our economies. The important thing is that we have many more common interests than disagreements created by history. The disagreements, discrepancies, and disputes can easily be overcome if we handle them in a realistic way and place our common interests to the fore. Utilizing the advantages of cooperation, we can foster our cooperation with Europe and the whole world. However, maintaining and encouraging conflict situations is fruitless for both sides, and this is also true for our integration into the world economy. Fostering mutual mistrust and maintaining tensions damage the political atmosphere and they also have a negative effect on both countries' chances of integration into Europe. Therefore, I agree with the concern implied in your question.

[NEPSZABADSAG] Prime Minister Jozsef Antall, chairman of the government coalition's leading party, has firmly distanced himself from the right-wing extremism in his own party. It is vitally important to condemn extremism in our region. Before your visit to Israel, you also spoke out sharply against anti-Semitic manifestations, although the number of Jews in Romania is negligible. Would a determined and open stand against other kinds of Romanian extremism, for example those affecting Hungarians in Romania, improve the atmosphere of mutual trust and cooperation?

[Iliescu] Naturally, it would. I suppose this question refers to domestic politics. Well, the main issue is that artificial tensions are maintained both by the Hungarian and the Romanian side in Romania. We do not really have any problems with the other minorities. We are also struggling with the integration problems of the gypsies, but here we mostly have to solve limited conflicts in villages and the problems raised by the emigre Romany groups. The integration of the gypsies is not easy, but it is not impossible to manage. However, in my view, the issues of the Hungarian minority and its relations with the majority have often and artificially been overheated by both sides. Extremists feed off each other. I said the same in 1990 and on other occasions to both sides. I have always emphasized that the most important thing is to fight against one's "own" extremists in order to be able to establish the possibility of and platform for communication and understanding.

Apart from the accidents of history, Romanians and Hungarians have been living together and have understood each other for centuries now. Ordinary people have coexisted continuously on the basis of mutual trust and respect. It is not the ordinary people who cause the problems. Certain politicians and members of the intelligentsia go too far in straining the situation and conditions. In my view, the current, new political framework, the principles included in the new Constitution, and our practice make it possible easily to resolve any issues that emerge (as part of the general interconnections) in relation to the characteristics of the various strata and ethnic groups. In my view, it is precisely the common issues that are the difficult ones, which equally affect the Romanians, Hungarians, and the other ethnic groups. The solution also has to be found together. We have to resolve the big general social and economic issues of the transition and all the particular issues of the national minority, ethnic, religious, and even professional groups.

[NEPSZABADSAG] The signs of rapprochement seem to be emerging in Hungarian-Romanian relations. In our view, the possibility of signing the Hungarian-Romanian basic agreement is in the focus of this process. However, there are debates on the inclusion of a clause—on the collective rights of national minorities—which is being suggested by the Hungarian side. What are your views on this?

[Iliescu] I believe that the issues raised at the discussions between our ministries can be resolved with mutual goodwill—provided that we start from certain basic facts. Especially if we start from the fact that this is a case of two neighboring countries whose primary interests are common. The problems accumulated by history have to be approached with realism and understanding and then it is impossible not to find common answers to our questions. We are living in the same European conditions, and the common European ideas have been laid down in several outstanding international documents and agreements that have been signed by both countries. Therefore, as long as we respect these principles that have already been approved by the international community, then we can also formulate the documents that will be the new legal basis for our bilateral relations. I hope that the representatives of the two sides will find adequate answers to the questions, or in other words, an honest formulation of the political will to place our relations on the basis of mutual respect so that our countries may become stabilizing factors in our rather agitated region.

[NEPSZABADSAG] Does this mean that, in your view, the Hungarian proposal on the clause on national minority rights can in its main outlines be accepted?

[Iliescu] We do not have any difficulties in this respect. We have the kind of legal framework and political practice that does not give any ground for inferiority complexes. According to the first measures taken in 1990, at the time when temporary institutions were operating, which were later confirmed in the new Constitution, the representatives of the national minorities are actively present in Parliament. The representatives of all the minorities are directly involved in legislation. The Romanian Parliament has 39 Hungarian deputies. All the parliamentary political forces, including the representatives of national minorities, participate in the foreign policy consultative council that operates alongside the Foreign Ministry, and they have the opportunity to express their views and proposals. The Foreign Ministry has to deal with proposals made by this body, which are ratified by Parliament.

[NEPSZABADSAG] We have read your statement on this. Nevertheless, we must say that the general mood of the national minorities does not always indicate perfect satisfaction. These problems were expressed, albeit in different ways, in the various contributions at the RMDSZ's Congress. All in all, there is plenty to do.

[Iliescu] The actual existence of the RMDSZ and of the other national minority organizations, the RMDSZ Congress, and the free expression of all views are a manifestation of the broad democracy that is unfolding in Romania today. They prove that all the minority groups have ways of expressing themselves.

[NEPSZABADSAG] Even the Romanian newspapers were saying that "the ball is in the Romanian court...."

[Iliescu] I don't know what kind of ball you are talking about. All I know is that very different views have been expressed. We appreciated very much that moderate, calm, and constructive voices were predominant at the RMDSZ Congress—although quite extreme views were also aired. We certainly cannot by any means agree that the situation of the national minorities and the Hungarian minority is worse now than it was in the Ceausescu era. This was stated at the Congress. This view cannot be seen as either correct or constructive; it is provocative and does not help to resolve the issues.

[NEPSZABADSAG] It is worrying that a millionaire living in Italy who has a well-known Iron Guard background and who was trusted by Ceausescu, can finance a number of newspapers in Romania that incite hatred, and that he has received permission from the Audiovisual Council to operate a number of radio and television studios from Iasi to Timisoara. This is not good for Romania or for relations between the Romanian nation and the Hungarians in Romania. It is not good for bilateral relations, either. As a matter of fact, it is in Romania's best interest that Hungarian morale in Romania is generally good. The Iron Guard style press, radio, and television constantly generate and maintain an enemy image and this enemy is the Hungarians.

[Iliescu] This issue cannot be raised unilaterally. If I take it to its extreme, then this would require state control over the media—censorship. This, of course, would not be very much welcomed by either the public or the media.... If you analyzed the Romanian media and press carefully, then you would certainly not see a dominance in favor of the government. On the contrary. You cannot find any government newspapers that support the authorities. A critical voice dominates the Romanian—and the Hungarian language—press, which even goes so far as to hurl abuse at the people in power; to an extent that would not be permissible elsewhere. This is what the transitional situation is like, which also characterizes a certain state of Romanian society. At the moment, administrative measures or a media law that would regulate the situation are out of the question in this area. Although, some people would be or are in favor of this.

[NEPSZABADSAG] The Hungarian press also shows antagonistic signs. Fortunately, we do not have censorship, either. Perhaps it does not seem like interference in Romania's domestic affairs if we ask: Why does the Romanian Audiovisual Council, that obviously decides on very many issues of frequencies and studios, give permission to a man called Ioan Constantin Dragan, who is widely known to have an Iron Guard background and hates Hungarians, to expand his activities in the media? Articles published in the newspapers supported by him can hardly be explained to our readers or to Europe.

[Iliescu] I can give you other examples, too, both from the Romanian and the Hungarian press. Do not believe that it is easier to explain many other phenomena to our public here.... I include here the complete lack of respect for the highest state institutions. In a democratic country, respect for the state and the state institutions is a basic rule. A Western politician said that democracy begins with respect for the policeman. In other words, with the respect for the public institution or the state institution. In our area, many people still have but a very small amount of this. This applies to the Romanian and the Hungarian language press in Romania. Therefore, the phenomenon that was raised in your question has a much broader aspect. Actually, my impression is that there is a greater rigor in Hungary in this respect. As far as I know, the most important media are under state control in Hungary. In Romania, the Audiovisual Council is a parliamentary body, whose structure you are familiar with, and none of the authorities has any influence on it. The proportion and importance of the person you mention is negligible in the media. A great many private radio and television stations have been set up lately. A large number of financial forces are operating in the Romanian media, which have a blatantly antigovernment stance. Therefore, the Audiovisual Council cannot be accused of giving preference to the current ruling party—for example, this party does not have any private radio stations. I have understood your remark and made note of it; all I am saying is that this has to be examined within the current Romanian context.

[NEPSZABADSAG] The type of press, radio, and television supported by Dragan evokes the feeling of threat and creates fears among the Hungarians in Romania.

[Iliescu] This also applies to the Romanian majority, not only to the Hungarian minority. In fact, the majority might be even more dissatisfied with certain tools of the press and the media than the national minorities are.

[NEPSZABADSAG] For the same reasons?

[Iliescu] Some reasons are the same. We do have some newspapers that praise the Iron Guard movement. You said that the aforementioned person had been a member of the Iron Guard. However, we have newspapers that are apologists for Corneliu Zelea Codreanu, the founder of the legionary movement, the Iron Guard. These exalt the ideology of the Iron Guard. They want to force the Iron Guard movement onto Romanian political life and want to legalize it. I repeat that this phenomena is much broader. However, not many people, neither you nor others, react to these phenomena very much. Naturally, I cannot blame you for this, I am only making a remark.

[NEPSZABADSAG] I would like to return to the issue of the basic agreement, if I may. We would be happy if we could let our readers know that you are optimistic about the chances of accepting the clause proposed by the Hungarian side. To end our interview, would you confirm this expectation?

[Iliescu] I cannot qualify actual texts as I do not know the precise contents and wording of the text proposed by the Hungarian side. However, in principle, as I have already said in the past, I am willing to negotiate at any time and at any level to move certain elements of our relations out of the stalemate. It is in the interest of both sides to indicate that we want to overcome all suspicion and antagonism that cast a shadow on our relations. I hope that the signing of the basic agreement can be one of these positive signals. I am convinced that the two sections of the proposed basic agreement, which are still being discussed, can be resolved through a realistic approach.

[NEPSZABADSAG] We are very happy that you have faith in a solution. We believe that, at the same time, this might be the preparation for a high-level meeting.

[Iliescu] Indeed. I hope that the completion of the basic agreement will also open the way for a high-level meeting.

[NEPSZABADSAG] Thank you for the interview.

Officials View Latest Talks

AU0202210593 Bucharest ROMANIAI MAGYAR SZO in Hungarian 30-31 Jan 93 pp 1,2

[Interview with Hungarian Foreign Ministry Department Head Ferenc Szocs and Romanian Foreign Ministry Department Head Valeriu Tudor by Laszlo Szekely in Bucharest; date not given: "The Positions of the Two Sides Got Closer But....—A Pragmatic Approach"]

[Text] As we have already reported, experts from the Romanian and Hungarian foreign ministries held consultations in Bucharest between 26 and 28 January about bilateral relations and the coordination and finalization of the text of the bilateral basic treaty currently under formulation. The Hungarian delegation of experts was led by Ferenc Szocs, head of a main department at the Hungarian Foreign Ministry in charge of the Balkan countries, and the Romanian delegation of experts was led by Valeriu Tudor, the recently appointed general director of the Second Main Department of the Romanian Foreign Ministry, which includes Hungarian affairs. Romanian Foreign Ministry State Secretary Ion Gorita received the Hungarian delegation on 28 January, and stressed the importance of observing the schedule of the emerging bilateral contacts in order to prepare for a foreign ministerial meeting to be held as early as this year.

[Szekely] What was the goal of the recent talks and how do you evaluate the results?

[Szocs] The current series of expert talks have taken place in the spirit of the exchange of letters between the two countries' foreign ministers. Top experts on the subject have held talks this time.

Our goal was to review the major elements of the bilateral relations that were discussed during the meeting between the two state secretaries Katona and Melescanu, and which were recorded in the so-called Memorandum. We were happy to conclude that we have succeeded in advancing on a considerable number of issues, and the solution to those issues is currently under way. We also concluded that there are still some issues on which we have not yet advanced. As a whole, we think that the state of our bilateral relations is better today than it was a few months ago. Based on this view, we have been seeking possibilities for further progress.

In the framework of these talks, we also held new consultations on the basic treaty. We perfected and refined some articles, we dealt with text interpretations in connection with other articles, and we gave each other new formulations. It is now the task of the experts to analyze and evaluate these texts, and once this is done, another meeting of experts will take place in Budapest.

[Szekely] What other issues were on the agenda of your meeting?

[Szocs] Parallel with the implementation of the points in the Memorandum and the solving of open questions, we are also counting on higher-level political meetings. We have not yet agreed on the timing of these meetings, but we have agreed that these meetings would represent concrete results that would serve the interests of the two nations and the two countries.

[Szekely] As we know, two extremely important questions remained unsolved during the formulation of the basic treaty: the issues of guarantees for the current Romanian-Hungarian border and for national minority rights. Did you exchange views on these issues? If so, with what results?

[Szocs] Naturally. We had a lengthy discussion about these issues. Both sides presented their positions and evaluated the activity carried out so far, and we also exchanged new formulations.

[Szekely] Can we say that some progress has also been achieved in this area?

[Szocs] The positions of the two sides are closer now on these issues too, but we need further expert talks.

[Szekely] You met a new negotiating partner, Mr. Valeriu Tudor. What is your impression of him?

[Szocs] He is a cultured and well trained partner with a European way of thinking. The negotiations took place in an informal and pleasant atmosphere. The stress that used to characterize such consultations was no longer there.

[Szekely] Do you regard the latest consultation as a successful one? If so, to what extent?

[Tudor] I definitely regard it as a successful consultation. Together with our Hungarian partners, we came to the conclusion that more than half of the points included in the Memorandum, as formulated after the talks between the two foreign ministry state secretaries in Budapest in May 1992, have been solved or are advancing toward a positive solution. Both sides concluded that there has been progress in the area of economic, cultural, and educational contacts, as well as on consular affairs. What else is there if not results, particularly if we consider the short time that has passed since May 1992?

[Szekely] Can you say the same about the formulation of the basic treaty?

[Tudor] The formulation and coordination of the text of this basic treaty is a process that should be evaluated according to its own dynamics. The latest consultations on the basic treaty were held in Budapest in January 1992. To move out of the stalemate, the Romanian side has now submitted a new text proposal about the inviolability of borders and the issue of national minorities. Our Hungarian partners have promised to study these proposals attentively and to give their opinions at the next round of negotiations.

[Szekely] It is the task of experts to coordinate the texts and refine the formulations. However, in my opinion, in the case of the two problems just mentioned, political questions also emerge.

[Tudor] We are taking a pragmatic approach to solving these problems. If we think that we experts have failed to find a mutually acceptable solution to a certain question, we will propose higher-level political meetings because our goal is to advance and to move away from the current situation.

Vacaroiu, Melescanu Discuss Accord With EC

AU0202204493 Bucharest ROMPRES in English 1928 GMT 2 Feb 93

[Text] Bucharest, ROMPRES 2/2/1993—"The signing of the European accord for Romania's association with the European Communities is an act of utmost importance for this country," Prime Minister Nicolae Vacaroiu said upon his return from Brussels.

The premier said a wide range of problems were tackled at the talks in Brussels, beginning with the specifics of the economic reform in Romania, the prospects of the privatization process, and covering such sensitive issues like the embargo against Yugoslavia, the Hungarian minority in Romania and, generally, minorities. Much space was also given to discussing further external financial aid, nonrefundable funds through the PHARE [Economic Reconstruction Aid for Poland and Hungary] programs. Premier Vacaroiu thinks there are chances for a food aid to Romania consisting of an important quantity of wheat, as nonreimbursable aid.

Prime Minister Vacaroiu expressed his satisfaction for the fact that the signing of the accord meant also a change in the perception by West Europe of Romania's difficulties in the transition period.

Asked to give his opinion on the significance of the signing of the Romania-EC association accord, Foreign Minister and Minister of State Teodor Melescanu said, upon his return to Bucharest, that "the signing of the association accord solves one of the much debated topics lately in Romania, regarding Romania's political leaning. Now this leaning is very clear, it is our orientation to the integration in the European communities. This is also a splendid signal for foreign investors, but also for those European structures we want to integrate with, such as the Council of Europe. This is a recognition of the progress Romania has made—even though there is still much to be done—of the fact that Romania is at a stage where it can be associated with such a demanding organization as the European Communities."

Karadzic Letter Proposes Continued Talks

LD0302132593 Belgrade SRNA in Serbo-Croatian 1154 GMT 3 Feb 93

[Text] Radovan Karadzic, president of the Serbian Republic [of Bosnia-Hercegovina] sent a memo to British Prime Minister John Major today. Karadzic lists his proposals for continuation of peace negotations in the former Bosnia-Hercegovina. SRNA is presenting Karadzic's memo in its entirety.

Honorable Mr. Major: On the eve of the meeting at the UN Security Council in New York we would like to present the following suggestions—provided you find them constructive and in the interest of peace:

1. We believe that the constitutional principles and the military document should be accepted as they directly lead to the peace process. The map could be altered by experts and democratic processes.

2. We maintain that the most realistic way of starting the peace process is to place Sarajevo under the control of United Nations Protection Forces. If its executive team were to comprise a UN representative and four vice-commissioners who would be in charge of the power network, waterworks, and the distribution of humanitarian aid we would be able to proceed with free movement. Check-points between different municipalities would be manned by mixed teams, including Serbian, Muslim, and UN representatives. Finally, there would be free circulation [as received] once a cease-fire has been put into effect. In this way the peace process would perhaps start in the city which is so symbolic of this [word indistinct] war in Bosnia. My deepest regards, sincerely yours, Radovan Karadzic.

Karadzic Criticizes U.S. State Department

AU0202202093 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 2 Feb 93

[Interview with Radovan Karadzic, president of the Serbian republic, by Branislava Stanisic; place and date not given—recorded]

[Text] [Stanisic] Mr. Karadzic, there are different interpretations of the transfer of the negotiations from Geneva to New York. Can you tell us how you interpret it?

[Karadzic] Well, I believe the authority of the Security Council attracted the conference, which was going through serious difficulties. It is meant to give the final say to the Security Council, to try to reach a solution that all three sides will have to accept. We personally have nothing against the United Nations dealing with it, but we are against any imposed solutions, that is, if anything is imposed then it will bear the stamp of having been imposed. We cannot accept something unacceptable, something that would endanger Serbian freedom and equality. In other words, if the times were better, if the United Nations enjoyed more respect and were less biased, I would be very pleased about this trip. Still, I have some hope that it will be like that, but I am also somewhat cautious.

[Stanisic] Does that mean you expect that finally some sanctions will be adopted against Croatia? So far, the formal condemnation has been the extent of it.

[Karadzic] Whether there will be sanctions I cannot tell. I think Russia is supporting that idea, or rather, it is raising the issue of sanctions. I am not sure that those who support Croatia are ready enough or weak enough, but it is certain that the Serbs are going there with a stronger moral position, stronger than if this attack had not occurred.

[Stanisic] Well, in that context, what can the Serbs expect?

[Karadzic] On the one hand, there are interests connected with Arab money, and on the other, it is a trick played by the former administration and the State Department, which we will condemn fiercely, which lied, and which told untruths about the Serbs. That State Department, the remains of the Bush administration, is still trying to make trouble for Clinton, to throw a hot potato into his hands, to drag him into a quagmire, so that the Democrats lose the next elections. The Republicans are wily foxes in that respect, and we are the victims of their game. I hope that Clinton will take the upper hand soon and change the administration, that he will appoint his own people who will look at this crisis without prejudice.

[Stanisic] Let us all hope that will happen. We wish you the best of luck in New York.

[Karadzic] Thank you.

Commentary Sees 'Unpleasant News' in U.S. Stand

AU0202215693 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1400 GMT 2 Feb 93

[Commentary by Zijo Dizdarevic]

[Text] The American refusal to support explicitly the Vance-Owen plan contains two other no's: No to the plan which, as Secretary of State Warren Christopher says, is unfair to the Muslims in Bosnia-Hercegovina and, in conjunction with that, no to American participation in the realization of such a plan. So, first, the new American administration is very critical of the Geneva plan to end the war, and second, this practically gives support to the Bosnia-Hercegovina legal authorities, that is, it gives support to the arguments of its delegation for not signing the cochairmen's plan.

Prior to that, Vance and Owen got the approval for their project from the EC and Russia, while China also has no reason to oppose it. That means that they have four of the five permanent members of the Security Council on their side. Of course, Washington's attitude is very unpleasant news for the mediators of the Geneva talks, and for Great Britain and France. Cyrus Vance and David Owen counted on the Security Council to cover their failure. They sought unconditional acceptance of the plan and establishment of the mechanism for its implementation. In other words, they tried to avoid critical appraisal of the plan itself. Washington does not accept the basic concept behind their plan, however, and the absence of the political and military authority of the United States of America reduces the plan's validity significantly. The New York sequel to the Geneva talks is uncertain now. To put it in boring language, what is needed is further consultation. The transfer of the activities from Geneva to the Security Council seems to have caught the Americans off-guard and placed them in an embarrassing position. Vance, Owen and Europe are also in an embarrassing position now.

Commissioner Suspends Aid Convoys From Mostar

LD0202230993 Zagreb Radio Croatia Network in English 2200 GMT 2 Feb 93

[Text] The town of Mostar came under heavy artillery fire, with five shells hitting the area, the attack leaving five members of the defense units injured. A convoy of UN vehicles that was travelling from Jablanica to Mostar has also come under attack. One member of the UN troops was killed, while another suffered injuries.

UN High Commissioner for Refugees Sadako Ogata has decided to suspend all relief convoys via the so-called Mostar route until a satisfactory explanation is received from all sides regarding this latest attack. Ogata issued a sharp protest noting that it was only five days ago that all three warring sides in Bosnia promised to guarantee the safe passage of humanitarian aid convoys in that region.

Officials Give Details of Casualties

LD0202154893 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 2 Feb 93

[Text] Speaking at a news conference today in Busovaca, Colonel Dario Koric, vice president of the Croatian community of Herceg-Bosna, and Jozinovic, commander of the Nikola Subic-Zrinski Brigade, informed journalists in detail about the recent attacks by Muslim forces in the area around Busovaca.

It was stressed that the Croatian Defense Council [HVO] Busovaca Brigade—the Nikola Subic-Zrinski Brigade—held up seven brigades of the Bosnia-Hercegovina Army along the 46 km frontline. To date, 60 dead and over 100 wounded HVO soldiers and Croatian civilians have been registered on the Croatian side. HVO members in Busovaca arrested more than 200 snipers, among whom there were no civilians. It was also reported that members of the Bosnia-Hercegovina Army captured over 170 HVO soldiers and Croatian civilians.

They also reported that at 0945 today, Muslim forces from the village of Merdani, wearing ski masks and HVO insignia, raided the Croatian villages of Podjele and Gabina Kuca, and arrested and kidnapped four guards and a four-member Croatian family from an HVO control point. The UN Protection Force has been informed, and the Muslim forces given an ultimatum to release the prisoners by 1200 [time only as heard].

It was confirmed that an exchange of prisoners according to the principle of one for one will take place tomorrow.

Croats, Muslims Reportedly Clash in Majevica

LD0202173593 Belgrade TANJUG in English 1714 GMT 2 Feb 93

[Text] Belgrade, Feb 2 (TANJUG)—Clashes between Moslems and Croats in the northeastern Bosnian region of Majevica are becoming fiercer judging by the strong artillery detonations heard from the Croat and Moslem villages in this area on Tuesday [2 February].

Sources close to the Moslem military command in the northeastern Bosnian town of Srebrenik said that several civilians were killed and major material damage inflicted to the town after the Croat forces shelled the town, the press center 'koridor' in the Serb-controlled northeastern Bosnian town of Bijeljina said.

The Moslem forces attacked Serb positions along the whole left bank of the river Drina, above all round the town of Oratunac. They aim to reach the Drina, which separates Bosnia from Yugoslavia's Republic of Serbia.

Reinforcements are joining regular units of the Republic of Croatia in Hercegovina. These reinforcements are heading for Trebinje and Nevesinje, Serb cities in eastern Hercegovina.

Government Pledges Quick Decision on Refugees

LD0202162993 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 2 Feb 93

[Text] Mirko Pejanovic, member of the Bosnia-Hercegovina Presidency, received in Sarajevo today representatives of Croats who were driven out of their homes by the Serb aggressor in the Stup, Otes and Azici districts of Sarajevo. The representatives, including the eminent humanist Pavo Barisic, demanded that the Bosnia-Hercegovina authorities stop procrastinating and finally allow 300 refugees from the occupied districts in Sarajevo, who have for several weeks lived in unbearable conditions, to go to Kiseljak.

Croatian refugees have started a hunger strike in protest against the procrastination in solving their request. Meanwhile, everything is ready in Kiseljak for their arrival, which will be accompanied by the UN protection forces.

Pejanovic promised the representatives of the Croatian refugees that the Bosnia-Hercegovina civilian authorities will make their position on the problem and its solution known as early as today.

Sarajevo Radio Updates Srebrenica Fighting

AU0202203093 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1800 GMT 2 Feb 93

[Excerpt] The aggressor's air force again bombed the free territory of Srebrenica. A combined chetnik artillery and infantry attack was launched against the defenders' positions in Voljavica early this morning. The aggressor from Njemic and from above the quarry [kamenolom] from Serbia pounded the positions in Voljavica with two tanks and two mortar batteries, while the infantry was advancing from the direction of Bratunac. The Srebrenica defenders successfully repelled the chetniks' advances, inflicting considerable losses on them in manpower and equipment. Because of the failure of their intentions, the chetniks brought their air force into the offensive at 1300 and 1330. Two enemy aircraft in two swoops coming from Serbia dumped their deadly cargo on Voljavica, Bijelovac, (?Sase), and the defenders' positions, machine-gunning them at the same time. A total of 16 civilians and two fighters were killed, while many more civilians were wounded. [passage omitted]

Doboj Opposed to Inclusion in Muslim Province

LD0102173093 Belgrade TANJUG in English 1711 GMT 1 Feb 93

[Text] Belgrade, Feb 1 (TANJUG)—Croats from seven villages near the northern Bosnian town of Doboj voted in a referendum in Zagreb that their villages should be part of the Derventa municipality, Croatian Radio said on Monday [1 February].

The referendum, held on Saturday and Sunday, was called after the local Croats refused to remain in the municipality of Doboj which the Geneva peace plan on Bosnia-Hercegovina envisages as part of a Moslem province.

Under the plan, Derventa (northern Bosnia) is to be incorporated in the Croatian Sava province.

The president of the Referendum Commission told the radio that 93.3 percent of the 6,084 voters from the Croat villages went to the polls in Zagreb where Croat refugees from Doboj are accommodated.

The region of Doboj is controlled by the Bosnian Serbs.

Silajdzic: 'Europe Has Failed To Understand Us'

PM0202135293 Copenhagen BERLINGSKE TIDENDE SONDAG in Danish 31 Jan 93 p 10

[Report on interview with Bosnian Foreign Minister Haris Silajdzic by Soren Ostergaard Sorensen in Geneva; no date given]

[Text] Geneva—"Our situation cannot get much worse. Everyone knows that our villages are surrounded by terrible forces. That almost 200,000 people have been killed. That 1.5 million are homeless and that tens of thousands of women have been raped systematically. Genocide is occurring. We have nothing to lose. Only an atom bomb could make our situation any worse. Then we would be wiped out completely," Foreign Minister Haris Silajdzic said in an interview with BERLINGSKE TIDENDE.

[Ostergaard Sorensen] Are you counting on help from the Clinton administration because of your no to the peace plan?

[Silajdzic] Europe has failed to understand us. This is a terrible experience for me. Europe has made no progress since the end of World War II. The same nationalist thinking dominates countries. All the talk of a united Europe is just a front, just lies. The Cold War still prevails in the heads of the Europeans. The EC is working to maintain the status quo for that is all it is capable of. On the other hand we hope that the Americans understand us.... We have been the target of the aggression of a neighboring country, and we are now paying the price of having believed in the EC, the CSCE, and the United Nation's human rights.

I would urge the new EC president, Mr. Petersen (Niels Helveg Petersen—BERLINGSKE TIDENDE's editorial note) to consider what the EC has actually been guilty of by consistently failing to live up to the standards it has set itself.

This is no civil war. It is a massacre of civilization. How can you talk of a war when we fight with zero tanks against 400, with zero aircraft against a whole air force? This is slaughter. This is proof that might is right. It is a clear message to all small countries not to entertain any illusions that the days of fascism are over.

[Ostergaard Sorensen] Was the Bosnian Government not naive when, before the war, it refused to believe that this could happen?

[Silajdzic] Yes, that is our own fault, and a big one. We believed in an international order which would not accept that genocide could occur in Europe. That hundreds of thousands could be killed like animals, and millions could be ethnically cleansed like dogs, without the so-called civilized Europe reacting. But Europe has shown itself to be egotistical. Europe has grown old—but no wiser.

[Ostergaard Sorensen] How has such hatred between Muslims, Croats, and Serbs been created if, as you say, before the war harmony existed between the groups?

[Silajdzic] There is no hate between us in Sarajevo. It is people like Karadzic (Serb leader born in Montenegro—BERLINGSKE TIDENDE editorial note) who have brought their complexes and rural philosophy with them from the mountains of Montenegro and the Serbian agricultural communities... an act of revenge against the urban culture which is supported by the Serbian leadership headed by Milosevic who cultivates the most infantile form of nationalism and imperialism....

The Serbian leadership has been encouraged by Europe which has constantly said that it will not intervene. The only thing we are asking for is the opportunity and the right to defend ourselves. It is cowardly for the EC countries to try to hide behind a notion that this is an ethnic civil war.

[Ostergaard Sorensen] Is aid in the form of arms enough to turn the course of developments around?

[Silajdzic] A militarily sanctioned ban on flights over Bosnia-Hercegovina and the lifting of the arms embargo are enough. We do not need any international land forces. We can stop the aggression ourselves. We have not asked for French, Danish, or British soldiers. We do not want their mothers to weep at the coffins of their returning sons. Let them stay at home and give us the opportunity to fight ourselves.

[Ostergaard Sorensen] In recent weeks the Bosnian Muslim army has had successes in eastern Bosnia. Where does the strength for this come from?

[Silajdzic] Our soldiers are fighting for freedom. The other side's criminals fight to plunder and kill. They do not have the same motivation today. We are becoming more organized, and they have nothing left to plunder. That is why developments are turning.

[Ostergaard Sorensen] President Izetbegovic has made requests for military help to Muslim countries like Turkey and Pakistan. Is any such aid coming?

[Silajdzic] We are asking the whole world for help. France and Britain in particular have deprived us of the possibility of fighting. We speak as representatives of the legitimate government of Bosnia-Hercegovina, as a member of the United Nations. We do not speak as Muslims. There is a media outcry when Izetbegovic goes to Ankara or Dakar; but he has also visited the United States, the pope in Rome, and the the capitals of Western Europe.

As an excuse for not doing anything people are trying to Lebanonize the conflict.... I am a European. But I would rather live on the planet Mars than belong to Europe, if this Europe is what it has shown itself to be in recent years.

Bosnia could be the beginning of the end of European civilization, of which I am unfortunately a part.

Banja Luka Official on Defense of Serb Land

93BA0519B Banja Luka GLAS SRPSKI in Serbo-Croatian 13 Dec 92 p 3

[Article by R. Silovac and E. Blaz: "We Are Defending Serbian Land"]

[Text] *Predrag Radic, president of the Banja Luka municipality, spoke with foreign and domestic reporters. "We do not have the money to pay for placing falsehoods in the world press, like Alija Izetbegovic's leadership. If we did, we would rather spend it to repair the hydroelectric power plants and roads, to revive the economy, and to buy medicine, fuel oil, and fuel," Predrag Radic said.*

Banja Luka, 12 Dec—At a conference for foreign and domestic reporters, convened in connection with the increasingly more frequent threats of foreign military intervention, Predrag Radic, president of the Banja Luka municipality, spoke about the numerous unfounded accusations against the Serbian people, emphasizing that the foreign news media had embarked upon an unprecedented anti-Serbian offensive. The Serbs are once again being accused of continuing a policy of ethnic cleansing, violating international treaties, and not respecting UN resolutions.

"The aim is to portray the Serbian people in the worst possible light prior to the fateful conference in Geneva," Radic said. "The 'exclusive news' published in the German STERN, which said that Serbian fighters had raped 50,000 Muslim women, is the biggest lie that I have heard in my life. The newspaper says that 250,000 members of the Army of the Serbian Republic participated in the 'action.' Who then, I ask you, is waging war, and who is bringing the Serbs military victories? It is not difficult to conclude on whose orders it was published. We do not have the money to pay for placing falsehoods in the world press, like Alija Izetbegovic's leadership. If we did, we would rather spend it on repairing the hydroelectric power plants and roads, reviving the economy, purchasing medicine, fuel oil, fuel...."

Reporters of THE WASHINGTON POST observed that during Satish Nambiar's visit to Banja Luka the Serbian side was blamed for violating the flight ban resolution.

"Yes, because the world characterizes flights by helicopters carrying wounded fighters from the front to the hospital as combat flights. This is only when the Serbian side is involved, however.... We provided Nambiar with photographs with visible evidence of violation of the air corridor by the Croats. He promised that he would forward them to the UN headquarters, emphasizing that he was not sure that the appropriate commissions would register them."

The foreign journalists were particularly interested in how the president of the largest municipality in the Serbian Republic explained the fact that in the former Bosnia-Hercegovina the Serbs constituted a third of the total population, but now held about 70 percent of the territory of the former central Yugoslav republic under their control, and in how he viewed Banja Luka in the event of foreign military intervention.

"One should not ignore the fact that in the former Bosnia-Hercegovina the Serbs had 64 percent of the land. Consequently, we are only defending what is ours," Predrag Radic explained. "We know that if the world decides to intervene militarily in the former Yugoslavia, Banja Luka would be the first to be hit. The West is doing everything possible to introduce foreign troops into this peaceful city, which would obviously operate according to the scenario outlined by the designers of the new world order. I personally do not believe that there will be an intervention, however. Who has the courage to send his troops into an operation from which it is more than certain that they will not return?"

Gen. Talic Supports Serbian Republic Daily

93BA0519A Banja Luka GLAS SRPSKI in Serbo-Croatian 13 Dec 92 p 3

[Article by Davorin Reljic: "More Newspaper Space for the Fighters"—first paragraph is GLAS SRPSKI introduction]

[Text] General Talic stated complimentary views of GLAS SRPSKI's coverage, but he is convinced that even more space should be devoted to the fighters, who are real heroes.

Banja Luka, 12 Dec—"Although there is both a need and a possibility of intensifying cooperation with the Army of the Serbian Republic, i.e., more comprehensive and even better reporting from the battlefield, one nevertheless cannot deny the fact that in the past months of the war GLAS SRPSKI, with its publicity and the efforts that it has made, has taken the lead in comparison with other news media," said the newspaper editorial office's guest on Friday, Major Gen. Momir Talic, commander of the First Krajina Corps.

The hosts, the newspaper's acting chief and managing director, Zorka Samara, and director of the JNIGP GLAS firm Josip Rahic, briefly informed the guests, Gen. Talic and Major Rajko Ckonjenic, about the enterprise's activities, technical and personnel capabilities in distribution, and also various difficulties.

Gen. Talic did not completely agree with the observation expressed that he was at GLAS SRPSKI for the first time.

"I do not think that I am at GLAS SRPSKI for the first time. Admittedly, I am in the editorial office's building for the first time, but I have visited the newspaper twice and given two official interviews. I also remember when the editorial office was on Mose Pijade Street. I am also not unaware of your constant efforts to report objectively from the battlefield. It is also very good that in a news sense you link together all the corps, because it is very important that we have unity of both the army and the territory. I cannot speak especially critically, but it seems to me that perhaps certain units are more prominent, more privileged. For instance, perhaps precisely the 30th Division, which you mentioned a little earlier, is not well enough known to the public, but the success at Jajce, i.e., the 30th Division's success, is perhaps our biggest success, although altogether, our biggest success is that we have not allowed any surprises. We have not allowed history from 1941 to repeat itself. There is also the fact that Serbs are not warring against each other."

Proposing ways to improve cooperation, the general emphasized:

"Cooperation has to be intensified in that regard, so that we will be equal in all of the units—from Brcko, Sanski Most... to Donji Vakuf. We must not neglect the border guards, rear units, people who are not directly in the combat operations on the front, but whose contribution to our joint struggle is exceptional; or engineers, who have proven themselves thoroughly and without whom not even the corridor operation would have been carried out. Well, we have written little, for instance, about the missile unit—that is a sort of legacy from the days of the JNA [Yugoslav People's Army], when we supposedly hid this somehow and kept it secret. With respect to convoy assistance, the opinion prevailing to some extent among the fighters is that these are 'weekend convoys' in which political points are scored. What is happening is that the donors, one after another, persistently help certain units and ignore the others, accidentally or not. Naturally, I think that such actions are useful, and that they are an expression of a desire to help the soldiers. And I especially think that the attempt to help the other corps from here, from the area of Banja Luka and the region (after all, GLAS SRPSKI is the republic newspaper) is very useful. I am proposing, however, that the donors, i.e., the organizers of convoys of aid for the fighters of the First Krajina Corps, consult first of all with my assistants. They certainly know the needs best and will direct any assistance in the fairest way."

With respect to who should receive special attention on the newspaper's pages in the future, the commander of the First Krajina Corps said:

"I would like more fighters! I am far from claiming that fighters have not been in GLAS SRPSKI. They have been, and your journalists and reporters really are often in contact with them. But Talic, for instance, is often not essential here, because any time that some fighter appears in public, Talic is actually also there as well. That is why there should be more fighters, so that we can at least recognize them somehow. This is because if the people do not know about a certain hero, I feel guilty. And we all often say that there needs to be more of that 'common man' in the newspapers. But this is by no means a 'common man'—it is a hero! It is also particularly important that we continually think about the enemy's intentions. They want to start quarrels, to put a 'spoke in the wheels,' to set the civilian and military authorities at odds, the military commanders especially, the military and militia commands.... They have benefited enormously from our disagreements—after all, that is how they destroyed Yugoslavia—and they would like to keep that situation constantly."

Gen. Talic particularly wanted to emphasize:

"My name is often misused. It is misused by criminals. I responsibly assert that my method of operation does not allow anyone to seek 'compensation' for some sort of work, etc., by citing my name, without the appropriate legally prescribed preconditions. People have even gone to request money in my name, naturally without any documents whatsoever. Or else someone comes to a post, and does not have the appropriate papers, and says: 'But Gen. Talic knows about this.' I thus recently ordered that three tanks of fuel be confiscated. And I will confiscate this kind of commodity with 'that kind of permit' and without the legally prescribed documents, and—those who are misusing my name should know this—I will not allow even subsequent proof of the origin of the goods and the correctness of the transportation. I will not lose the people's confidence that way. I always keep in mind that it is actually the rich man who is usually extremely poor! And anyone who misuses my name in that way is a criminal, and I will arrest and jail them."

The lawlessness of individuals, and even groups, is also a priority task, and so no matter how difficult and complicated the war conditions are, one should never forget about the law and the real struggle for freedom.

"We recently arrested two groups. Those who 'mete out justice' in their own way, according to their own standards, have to answer to the law. No one can kill a person, seize property, or mistreat others, and not answer for it. Everyone has to answer for his own (mis)deeds. That is why we arrested one group of burglars and thieves in Prnjavor, and one in Sanski Most. We also arrested a man who shot at and killed a couple of people in Gornji Seher. No one can tailor justice according to his own standards, because in that way people usually suffer through no fault of their own. Those who have a private army—they are not with me! No one even has the right to commandeer a vehicle arbitrarily anymore. Not even I have the right to do so! That is the jurisdiction of the military authorities and no one else's. And those who break into apartments unlawfully, commandeer vehicles unlawfully, are war profiteers of the highest order. We will settle accounts with them. And also with the ones who wear a military uniform—or with them first! And anyone who is arrested in uniform, regardless of whether it is his private one or not, will be tried as a military person. Consequently, he will be tried by a military court!"

[Box, p 3]

Support for GLAS SRPSKI

"Just like you, I feel myself to be a member of GLAS SRPSKI. GLAS is doing better work than the rest, although in more difficult conditions. I have independently followed your coverage, and I can say that on no occasion has our struggle been turned into the opposite direction, from the direction of the struggle for freedom and against fascism."

[Box, p 3]

Apology to Predrag Raca

"Perhaps I also owe a certain apology to the former commander of the Light Bosanska Gradiska Brigade, Predrag Raca. The prevailing opinion is that he was replaced after the Croatian forces' attempted to carry out their 'Berbir' operation. In that assault, 16 of our fighters, real heroes, died. The Bosanska Gradiska Light Brigade blocked that assault, and did it very well. They held a wide area with few people, but surprises are also possible in war. Thus, I would like to announce that Predrag Raca is in a responsible post, in accordance with our plans and needs. It does not mean that he will not be a commander again, because he was not replaced!"

Banja Luka Official on Krajina Situation

93BA0520A Belgrade INTERVJU in Serbo-Croatian 8 Jan 93 p 12-14

[Interview with Predrag Radic, president of the Banja Luka Municipal Assembly, by Tihomir Stojanovic; place and date not given: "Fate in the Hands of the People of Krajina"]

[Text] *Security in the city and region is satisfactory, even though the winds of war are still blowing through these areas. The most important thing is that we have succeeded in preserving peace in this area and that we can offer protection to all decent citizens, regardless of their nationality and religion....*

We spent almost three days in Banja Luka. The city is usually without electricity. There is little money, and the basic necessities of life are satisfied with great difficulty. Peace, however, has been preserved in the city and on the municipality's territory. There is no dissatisfaction. Whoever we spoke with expressed the greatest confidence in the municipality's president, M.A. Predrag Radic. We therefore asked Mr. Radic to answer a few of our questions.

[Stojanovic] Mr. Radic, to start with, can you give us an identity card for of the municipality today: the number of residents, the ethnic composition, the state of the economy, health care, supply...?

[Radic] The city of Banja Luka is still, one might say, a peaceful city, at least physically, but I do not guarantee mental peace to anyone, including myself. There has not been any war destruction—I hope that you have seen this—but the consequences of the war events in the immediate vicinity of this city are obvious. From last September until today, according to the records of the Refugee Headquarters, about 70,000 refugees have passed through Banja Luka—most of them from Slavonija, and since the April war in the former Bosnia-Hercegovina, also from the area of Bugojno, Travnik, the Cazin Krajina, Livno, Tomislavgrad, Zenica, and the cities of the "corridor of life." Currently there are about 20,000 refugees and displaced persons in Banja Luka.

According to the 1991 census, Banja Luka, with its surrounding area, had about 200,000 residents. Today it is hard to say what the total number of residents is, in view of the number of people who have emigrated and those who have just arrived. According to the last census, there were about 60 percent Serbs, 14.8 percent Croats, and 14.5 percent Muslims, and about 10 percent Yugoslavs. Now that composition is different, because most of the newly arrived refugees are Serbs.

The city's economy is functioning at barely 10 percent of its capacity, because that is how much electricity we have. We are delighted by the prospect that this will change soon, which would create possibilities for increasing production, so that we can show the world that we are not just good warriors, but also workers.

Health care is in a very difficult situation, not just because of this kind of situation in the economy, but also because the health care facilities are primarily used for our army and health care for the refugees. A particular problem is obtaining medicines, medical supplies, and fuel oil for heating hospital spaces and sterilization. The same thing is true of the Geriatric Center, in which there are old people of different nationalities from all parts of the former Bosnia-Hercegovina and Yugoslavia, where about 50 of this city's oldest citizens have died because of malnutrition, cold, and the lack of medicines.

The city's supply of basic products (bread, milk, cooking oil, sugar...) is still satisfactory, but at prices beyond the reach of most citizens.

[Stojanovic] Tell us something about the municipality's status within the Serbian Republic. And what is your relationship with the Republic of Serbia and the Federal Republic of Yugoslavia like?

[Radic] The municipality's status within the Serbian Republic is undefined, at least organizationally, if that is what you are thinking of. Banja Luka is a university city, a city with very well-developed financial institutions (the National Bank of the Serbian Republic, the Public Auditing Service, commercial banks, and several strong insurance institutions), the commercial, industrial, and health care center of the republic, and certainly the only city on the territory of our present republic in which the legislative and executive branches of the Serbian Republic could function effectively.

As far as the second part of your question is concerned, I believe that it is inspired by the fact that the people of the Krajina are stubbornly fighting to achieve contact with their original homeland and motherland. It is quite normal, just as the Hercegovina Croats want a link with their motherland, Croatia. No one, at least as far as I know, has said so far that he wants any special status in the Republic of Serbia, because at this time that would be fatal for both the Krajina and Serbia. The only thing that we are seeking from the motherland is that it not forget that there is a people in this area whose roots (deeper or shallower) are in Serbia.

[Stojanovic] In that environment, is the legal and judicial system functioning?

[Radic] Security in the city and region is satisfactory, even though the winds of war are still blowing through these areas. The most important thing is that we are preserving peace in this area, and that we can offer protection to all decent citizens, regardless of their nationality and religion....

We started to build the legal and judicial system as early as the first months of the war. The judicial system is functioning, in spite of the truly absurd situation that we are at war, but the Serbian Republic has not declared war. People are being tried under peacetime laws which are naturally inappropriate for occurrences of profiteering, robbery, and assaults against people's property and lives.

[Stojanovic] Is there a danger of a spread of the conflict?

[Radic] If a solution to this conflict on the territory of the former Bosnia-Hercegovina is not found by peaceful means, a danger of a spread of the military conflict does exist, regardless of how Serbia and Montenegro behave. The world has different standards for measuring participation in the conflict in the former Bosnia-Hercegovina. On one hand, it is overlooking the obvious participation by the Croatian army in the military conflict in the former Bosnia-Hercegovina, ever since the first days of the war (Livno, Kupres), and on the other hand, it is constantly seeking the former JNA [Yugoslav People's Army] in this region, and finding it in the Army of the Serbian Republic and the weapons that were not taken away to the Federal Republic of Yugoslavia [FRY], but it will not and does not want to see the mujaheddins and the weapons from all parts of Europe and the Islamic world in the possession of the other side.

The Croatian Army participated and is participating in all the military operations along the corridor from Derventa to Orasje, in eastern Hercegovina and elsewhere, but the "just" world is still thinking about whether it should impose sanctions on Croatia as well.

The official international public is very favorably inclined toward Alija Izetbegovic's hard-core position and his "sidestepping" and undermining of all the peace negotiations. It would be determined very quickly at the negotiating table that we can all live in this region, but not on the basis of the principles expressed in Mr. Izetbegovic's "Islamic Declaration," which he is now pretending to renounce.

All the soldiers on the territory of the Krajina are under the command of the Army of the Serbian Republic, and with the uniform insignia of that army. Admittedly, a few people stray here with other insignia as well, and even with different intentions, but they quickly stray back where they came from.

[Stojanovic] Are there paramilitary formations in the Krajina? What is the truth about the occurrence of war profiteering and crime?

[Radic] War profiteers should be sought in the "calmer waters" from which they have reached their tentacles into these suffering lands, assuring us that they are doing it for the good of this people. That sort of people exists only in symbiosis with people with power and strength, and the common man is the victim of that symbiosis.

[Stojanovic] Surely it is the children who suffer most among the victims of the war?

[Radic] When I think about the casualties of the war to date, I always have before my eyes the chestnut trees in front of the Bosna Hotel posted with the death notices of young people, and that is also the case throughout the Krajina. It is not nice to say this, but it will be easier for me when I see that someone has died a natural death. What, then, can be said about the children who have been casualties of the war? They are the greatest sufferers and I will carry this inside me the longest.

We received an offer from Minsk to send those children to them for two or three months until winter passes. They should not be sent without warm clothing, but we do not even know how to provide them with transportation there and back. We adults are not afraid of hunger and cold—we have already survived it once—but how can one watch old and sick people suffer, how can one watch children suffer, regardless of their nationality and religion?

We have engaged all the humanitarian organizations—the Circle of Serbian Nuns, Merhamet, Caritas, and the Red Cross—to help survive the winter. We are also being helped by the Office of the High Commissioner for Refugees and the International Red Cross, and we are organizing public kitchens. Our countrymen abroad have not forgotten us either. The people of the Krajina will survive and endure what a live slave cannot endure.

[Stojanovic] What can you say about the UNPROFOR [UN Protection Force] forces?

[Radic] Everyone is dissatisfied with UNPROFOR, and the Croats and Muslims most of all. Obviously more was expected from it. But what more could have been expected than letting the Green Berets into the Cazin Krajina, across the zone controlled by the Poles; the Jordanians asleep while the Green Berets infiltrate across their zone into Bosanska Gradiska; the inept Spaniards, while the Croatian army was striking Nevesinje from the zone that they control. There are plenty more examples.

The fact that the Serbs have negative experiences is not hard to understand, but not even Mr. Butros-Ghali is satisfied with them, because, as POLITIKA has reported, the Croatian government thinks "...that it has turned out that UNPROFOR has neither the strength nor the force to resolve the entire dispute." The dispute, however, lies in the fact that the Serbs in Croatia and the Serbian Republic are being armed and assisted economically by the FRY, but no one is helping the "poor Croats and Muslims" (except for good-natured neighbors and the Islamic countries).

[Stojanovic] How much are the sanctions affecting you?

[Radic] With respect to the sanctions, the Croats in Hercegovina are being supplied quite normally with everything and anything from the whole world—there is no embargo for them. The whole world has stood up to help central Bosnia, Sarajevo; that is as it should be, the people are not to blame and should not suffer. But with respect to the Serbs in the former Bosnia-Hercegovina, the same sanctions are applied to them as to the FRY. That is not even enough; instead, they are monitoring whether we are supplied from Serbia, and they would like to eliminate that too. They want to bring us to our knees, and there you have it.

Admittedly, there have been decent people in the EC mission, in UNPROFOR, and other "missions," but after the first true report those people were quickly withdrawn from this area and an "impartial" replacement was brought in. Many of these people were only able to say from a distance, with a clenched fist, "Hold on...."

Bosnians, Croats Air Doubts on Serb Aims

93AE0273A London AL-HAYAH in Arabic 14 Jan 93 p 8

[Article by As'ad Taha: "After Success in Containing Clashes Between Two Sides, Bosnia's Muslims and Croatians Cast Doubts on Serb Intentions"]

[Text] Zaghreb—Salim Sabic, Bosnian President Alija Izetbegovic's personal representative, has told AL-HAYAH in Zagreb that Serbian approval of the international peace plan is "an act of deception to gain time, to foil the possibilities of international military intervention, and to rally the Serbian military forces" now that the recent military operations carried out by the Bosnian forces have shown the difficulties the Serbs are encountering in the vast areas they have occupied.

In a separate statement to AL-HAYAH, Srecko Vucina, official spokesman of the Croat Defense Council, which organizes the Bosnia-Hercegovina Muslims, shared his Muslim colleague's lack of trust in the Serbian side's goodwill, saying that the "hope in the possibility of halting the war is very small, even though Bosnia's Croats want it. If their intentions are sincere, the Serbs have to offer something tangible, such as withdrawing their heavy weapons and permitting emigres to return to their homes."

Pessimism over the situation has been reflected in continued fighting in a number of Bosnian areas, including Sarajevo, the capital. Yesterday, the Muslim and Croatian sides were able to halt their clashes in central

Bosnia. In the opinion of observers, these clashes developed within the context of the race to gain control of the areas determined by the Geneva accord, which has been approved by the Serbs in principle.

Sabic denied strongly to AL-HAYAH that the Muslim side had started the explosion between the two allies in this critical phase, saying that the Muslims are fighting for survival. He accused the Croatian side implicitly of initiating the operations, which included artillery and infantry clashes, explosions, and mutual kidnappings.

Sabic said: "What the Serbs are doing in east Bosnia is being done by others in west Bosnia. I do not know what the Croatians are planning for us. Perhaps they have tried to gain control of the towns that belong to them within the context of the Vance-Owen plan." He expected things to develop "tragically, if those who provoked the conflicts do not regain their senses."

Croatian spokesman Vucina said that the clashes, which were contained yesterday, are a direct reflection of the anxious condition created by the partition proposals contained in the international plan. He told AL-HAYAH: "We expect resistance from the municipalities in which the Muslims constitute the majority of the population and which are located within the Croatian provinces proposed by the settlement." He cited Jablanica, Gornji Vakuf, and Konjic as examples.

He added: "We assume that the Croatians will not be pleased in areas such as Kresevo, Kiseljak, and Vares, which have been kept out of the Croatian districts even though the majority of their population is Croatian."

Vucina denied strongly that there are any endeavors by the "official Croatian institutions to control any town." He said that the reason for the tension is the frustration felt by the Muslims "who have been seeking a unified state in the Bosnia-Hercegovina. Now they cannot accept the fait accompli" being created by the international map. He asserted that "Muslims do not want war and do not harbor hostility toward the Croatians," that government in the Croatian provinces will be democratic, and that the percentage of Croatians in government institutions will not exceed their percentage of the total population of these provinces.

Clinton's Policy on Croatia Analyzed

93BA0528B Zagreb DANAS in Serbo-Croatian 22 Jan 93 p 25

[Analysis by Zvonko Lerotic: "Croatia After Eagleburger: Great Victory and Great Pitfalls"]

[Text] According to Eagleburger, the emergence of new states is not part of the strategy of the new world order. It is up to Clinton to correct the strategic failures of U.S. policy in the Balkans.

Among the rest of the Western world, the United States has assumed the leading role in the new world order. Although this new order is the work of conservative U.S. policy at the end of the 20th century, the new, more liberal, and younger United States of Bill Clinton will not miss out on this historic opportunity. At least in the beginning, this policy includes punishing disobedient countries and forcefully imposing Security Council resolutions. The fact that things are not going as planned with the world order is indicated by the missile attacks against Iraq. Saddam Husayn almost got a media war after he exhibited a wounded German journalist to the world. Roland Dumas grumbles. Threats and force, and most of all U.S. persistence, brought success. But only halfway. Husayn is holding on and continues to exist outside the order being created by the Western world.

The Croatian state was born at the outset of the new world order, and all of its social, cultural, and economic forces were subordinated to that supreme political goal. It would have been disastrous to let such a fortunate opportunity slip by. Croatia is putting the final touches on its state organization, and the question of its integrality still remains open. The question of whether it will achieve that goal peacefully or amid fewer or greater sacrifices depends on what sort of status it will have for strategists of world politics. In his last speech to members of the foreign affairs committee, Lawrence Eagleburger, an indispensable member of the neoconservative Bush administration, called the world events of the past several years a revolution. But not entirely. Many countries, such as Somalia or ex-Yugoslavia, he says, have shown under circumstances of collapsing blocs an express inability to ensure the operation of their main state functions. That is why they were incapable of resisting separatist tendencies. Neither U.S. strength, he says, nor the strength of U.S. weapons can force belligerent nations to live in peace. At the same time, Eagleburger says, the revolution has meant that all of the United States has focused on the controlled change in a dangerous and intractable world power. The revolution was carried out so quickly, he says, so fundamentally, and so peacefully that there are few such examples in history of empires being overthrown without furious violence.

Some will say that these are the words of a man carried away by the idea of greatness. They will add that everyone who lived through the revolution of the 1990's knows that Western strategists, and even more so the practicioners, were surprised, almost flabbergasted, by the speed with which the communist system caved in. If Eagleburger's assessment of the past is inadequate, then it at least reveals to us what Croatian politics can expect both with regard to the achievement of state integrality and with regard to its ascension into the real life of the international community. According to the former U.S. secretary of state, the emergence of new states is not part of the strategy of the new world order. If that assumption is true, then in the second phase of its state-building, after it has entered the United Nations and the IMF, Croatia will continue to be subject to the "Eagleburgers" of the new world politics. One more thing, which is no less interesting. The former secretary of state talks as if Bush carried out the revolution of the 1990's, while Clinton's job is secondary. It is up to the new U.S. President to correct the strategic failures of U.S. policy in the Balkans.

After the election, Bill Clinton quickly got used to the fact that there is a reality that cannot be changed and things and people that can be changed. Judging from the world press, a difference between the "pre- and postelection" Clinton is already noticeable. During the preelection period, Clinton's messages were created from the desires and hopes of the new U.S. generations. The preelection TV show is called "Look at what I say, not at what I do."

In the short period since the election, Clinton has gently refuted his promise to change the tax system. He does not intend to cut the federal budget as he said he would. He is no longer willing to accept refugees. He has forgotten the populist song, "Power to the People." There is no more of the closeness between him and Al Gore. It appears that the vice president will be left out of the "co-presidency" with which Clinton wants to lead the United States.

In this policy of the new world order, two constants are favorable for Croatia. The end of the war in B-H [Bosnia-Hercegovina] and the normalization of relations between the new states. The world community is intensifying its pressure on Serbia. Milosevic and Karadzic are no longer as ruthless and arrogant as they used to be. The meeting of Serbs in Pale, by accepting the Vance-Owen plan, renounced the right to secede and create states within a state. Karadzic continues to threaten, but now this is simply obstinacy and the loss of a sense of reality. The consent of the Serbs in Pale is the first serious defeat for Karadzic and Milosevic. It is the greatest blow to the rebellious people of Knin. Moreover, in this way the political foundation has been created in the international community for resolving the question of the integrality of the Croatian state through peaceful means.

There is still a danger in Eagleburger's interpretation of the world order. But that will only be the last obstacle that Croatia must overcome on its way to being an independent state.

EC Expert Engineers Recommend Demolition of Dam

AU0202145293 Paris AFP in English 1413 GMT 2 Feb 93

[Text] Zagreb, Feb 2 (AFP)—The Peruca hydroelectric dam in southern Croatia, which was reportedly damaged last week by Serbian saboteurs, needs to be demolished and rebuilt, a team of E.C. experts said Tuesday [2 February].

Henrik Keel, spokesman for the team of European engineers who visited the hydroelectric site north of Split, said "the critical period has not yet passed" for the dam, which had a large breach blown open in it Thursday by Serbian fighters.

Water from a 470-million cubic meter lake behind the dam had been pouring through the breach, further eroding the earthen structure.

British engineers Paul Back, Derek Wilden and Terry Pike, concluded after a three-day inspection that the lake must be emptied to open up access to the dam's foundations and determine the extent of the damage.

Croatian officials say Serbian fighters set off explosives at the dam as they were being forced from the area by a Croatian offensive.

The dam is located at the southern tip of the Serb-dominated enclave of Krajina. Prior to last week's fighting it had been under the control of U.N. peacekeepers.

Opinion Poll Shows Ruling Party in Lead

AU0202184693 Zagreb VECERNJI LIST in Serbo-Croatian 29 Jan 93 p 6

[Report by B. Slogar: "There Will Be No Surprises"]

[Excerpts] Zagreb—The second pre-election opinion poll carried out by the Zagreb daily VECERNJI LIST showed no big surprises. The Croatian Democratic Community received support from 34 percent of the respondents (35.8 percent in the Zagreb area). The second one was the Croatian Social Liberal Party with 14 percent (14.2 percent in the Zagreb area), followed by the Croatian National Party with 3.2 percent (0.8 percent in the Zagreb area), the Croatian Peasants Party with 3.2 percent (5 percent in the Zagreb area), the Social Democratic Party with 2.6 percent (2.5 percent in the Zagreb area), the Istrian Democratic Alliance with 1.9 percent, and the Croatian Rights Party with 1.3 percent (2.5 percent in the Zagreb area). The number of the undecided dropped to 36.2 percent (in the Zagreb area to 37.5 percent). Apart from the aforementioned parties, the Croatian Christian Democratic Union, the Croatian Democratic Party, the Croatian Christian Democratic Alliance, and the Rijeka Democratic Union also obtained votes. [passage omitted]

The poll was carried out by telephone from 25 January to 27 January on a sample of 470 respondents from Croatia (120 from the greater Zagreb area). The poll takers were M. Supancic, B. Gubic and N. Gubic.

Dynamite Train Sent to Zadar Explodes in Tunnel

LD0202164193 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 2 Feb 93

[Report by Toni Pajkin from Zadar]

[Excerpt] The information and psychological activities service of the Croatian Army Command announced today that yesterday's powerful explosions ringing out around the entire Zadar area were set off by enemies. They sent a freight wagon loaded with explosives rolling down a gradient toward Zadar in an attempt to wreak tragic consequences upon its civilian population.

Fortunately, the wagon exploded in a tunnel near Debeljak as it hit a section of damaged track. According to our information, it is estimated that the wagon carried between six and ten tonnes of explosives. In addition to this, it was also carrying pieces of iron and other iron items which would have been lethal had the wagon exploded in a built-up area.

The magnitude of the kind of tragedy that was averted is evident at the site itself. The reinforced concrete tunnel in which the car exploded has collapsed completely and its entrances are blocked. Above the tunnel there is a crater measuring 15 meters in diameter and 15 meters deep. [passage omitted]

Krajina Premier: Croatia Must Withdraw

LD0302132493 Belgrade TANJUG in English 1238 GMT 3 Feb 93

[Text] Belgrade, Feb 3 (TANJUG)—The authorities of the Republic of Serb Krajina (RSK) are prepared to negotiate but they are also prepared to respond to Croatia's aggression on this United Nations Protected Area (UNPA) by fire, RSK Prime Minister Zdravko Zecevic said on Wednesday [3 February].

Only the Croatian Army's withdrawal from the parts of RSK they had conquered can ensure peace on this territory which is guarded by the U.N. Protection Force (UNPROFOR), Zecevic said in a radio interview carried by the Belgrade daily POLITIKA on Wednesday.

Croatia launched an aggression the southern parts of the RSK on January 22 and has continued its offensive despite the two Security Council ultimatums to cease hostilities and withdraw its troops to initial positions.

The Croatian Army has so far seized a number of settlements and the airport in the hinterland of the (Croatian) city of Zadar as well as the hydroelectric power plant Peruca, southeast RSK.

The Serb side demanded the withdrawal of the Croatian Army at its recent meeting with UNPROFOR force Commander Gen. Satish Nambiar and UNPROFOR Director for Civil Affairs Cedric Thornberry, Zecevic said.

Croatian shots fired at the UNPA are simultaneously shots fired at the United Nations, and Croatia is a member of the United Nations, Zecevic said.

The Serb defense is successfully [word indistinct] the Croatian Army's onslaughts and they are greatly helped by volunteers who are constantly arriving from all Serb lands, Zecevic said.

Serbs throughout the world have also been sending aid in medicaments and food, showing they were united in the defense of the just Serb cause, Zecevic said.

Around 1,000 people have so far been killed in the Croatian offensive, over 800 of them are civilians, mostly women and children. Around 10,000 civilians have fled the war-stricken areas so that there are at least 130,000 refugees in the RSK now.

Army Reportedly Continues Attacks on Krajina

LD0202145293 Belgrade TANJUG in English 1216 GMT 2 Feb 93

["Pool" item]

[Text] Knin, Feb 2 (TANJUG)—Croatian forces continued attacks on the Republic of Serb Krajina (RSK) on Monday [1 February] night and Tuesday morning, the RSK Army Command announced.

The Croatian forces on Tuesday launched an all-out attack in the direction of Zadar-Benkovac, Sibenik-Kistanje, Muc-Petrovo Polje, Drnis and Skabrnja-Benkovac.

On Monday night, Croatian units opened a constant artillery fire and launched infantry assaults, simultaneously bringing in fresh troops, the announcement added.

It said the Croatian Army was destroying and setting fire to Serb villages in Ravni Kotari.

RSK Army Commander, Major General Mile Novakovic, again sent a message to the Zagreb-based command of the U.N. Protection Force (UNPROFOR) and UNPROFOR Commander Satish Nambiar to protest against Croatia's continuing aggression.

He said all the appeals to the international public about Croatia's aggression on the RSK were fruitless, adding that the killing of people and destruction of their property must not be allowed.

Croatia launched the offensive on the RSK on January 22, despite the sharp warnings by the U.N. Security Council, urging it to stop the aggression and withdraw its forces to initial positions.

The RSK is a predominantly Serb-populated territory within Croatia's administrative borders and is under U.N. protection.

General Claims Forces Holding Novigrad

AU0202150793 Paris AFP in English 1444 GMT 2 Feb

[Excerpts] Zagreb, Feb 2 (AFP)—Fighting resumed Tuesday [2 February] near the southwestern town of Zadar, as Croatia's top general said his forces had fought off a huge Serbian attack to try to seize the strategic city of Novigrad.

General Janko Bobetko, the Croatian chief of staff, told Croatian television that his army Monday won a fierce, day-long battle "by pushing the enemy back to its original positions" and causing the Serbs heavy losses.

Zagreb television said Serb forces started attacking in the area again Tuesday after a brief calm. [passage omitted]

A spokeswoman for British U.N. troops, Rose Brayfield, said in a telephone call from Split that the situation had not changed since Monday.

Both Croat and Serb forces also blamed each other for starting the violent clashes Monday over Novigrad. The city lies on the Maslenica inlet, which the Croats recaptured from Serb forces in the Krajina enclave in a lighting offensive January 22 orchestrated by Bobetko.

Bobetko said the Serbian attack Monday was "one of their most serious operations" since fighting resumed after a year-long ceasefire in the area. He said the Serbs mustered "maximum strength" of between 700 to 1,000 men for the battle over Novigrad.

Rumors have circulated since the weekend of an imminent Serbian counteroffensive in the region.

Bobetko said the Serbs' aim had been to "take Novigrad" to try to compromise the Croats' recent military gains operation. [passage omitted]

French military sources in Paris meanwhile said 200 of the total 900 French U.N. peacekeepers had evacuated 15 of 26 observation posts in southern Krajina after the latest outbreak of fighting and withdrawn to other areas of the self-styled Serbian republic.

Two French peacekeepers have been killed and four others wounded in clashes between Serbs and Croats.

Skrabalo Admits Dependence on Austrian Supplies

AU0202110493 Vienna DER STANDARD in German 2 Feb 92 p 1

["plo."-signed report: "Zagreb Only Protects the Dam"]

[Text] Zadar/Strasbourg—According to Serbian information, the Croatian Armed Forces started a "large-scale offensive" in Krajina in southern Croatia on 1 February.

In Strasbourg, Croatian Foreign Minister Zdenko Skrabalo rejected this account. On the contrary, "Croatian tank units" are only employed "to secure the Peruca dam, which is in danger of collapsing."

If the UN troops continue to be so incompetent, Croatia will have to reject the prolongation of the UN mandate, he said. "My country is definitely not prepared to be cut into pieces." In response to a question from DER STANDARD about the way in which Zagreb is supporting the Bosnian Croats, Skrabalo said: "With logistics alone—that is, also with weapons, but you Austrians know that anyway. Without Austria's supplies, we could not exist."

Daily Says German-Made Missiles Reaching Croats

LD0202152293 Belgrade TANJUG in English 1144 GMT 2 Feb 93

[Text] Belgrade, February 2 (TANJUG)—The Belgrade daily VECERNJE NOVOSTI on Tuesday [2 February] said that the police of the Republic of Serb Krajina have captured a truck-load of anti-aircraft rockets of German make near Benkovac, which were being sent to the Croatian Army at the recently opened front in Southern Krajina.

The Belgrade daily said that the driver of the truck, which had Zadar registration plates (Croatian), was probably not familiar with the area and drove into territory which is controlled by the Krajina police.

Despite an embargo on arms exports to former Yugoslavia introduced by the U.N. Security Council, "Croatia allies—Germany Austria and Hungary, continue to send weaponry to Croatia," the daily warned.

Croatia on January 22 attacked the territory of the Republic of Serb Krajina, the southernmost section near the Adriatic coast, which is protected by the United Nations Protection Force (UNPROFOR). In the offensive, Croatian troops killed over 800 Serb civilians and burned, destroyed or looted all Serb villages in the region.

Since the beginning of its war for secession in 1991, Croatia has been importing weapons without any problems from many Western and Eastern European countries, and there is reliable information that this former Yugoslav republic has purchased 120 T-72 tanks and 200 armored transporters from international arms dealers.

Sales contracts have also been signed for 12 Mi-2 helicopters and six Mi-8 fighter helicopters, and contacts have been established for the purchase of air-to-air missiles, radar systems for aerial observation and guiding, and for around 300 T-72 tanks, 105 and 155mm howitzers, armburst anti-tank rockets, and anti-aircraft stinger missiles.

Nambiar Says Croatia Fighting Complicates Mission

LD0202165093 Belgrade TANJUG in English [illegible] GMT 2 Feb 93

[Text] Belgrade, Feb 2 (TANJUG)—Commander of the U.N. Protection Force (UNPROFOR) in former Yugoslavia, General Satish Nambiar of India, said on Tuesday [2 February] the latest fighting in the U.N. Protected Areas (UNPAS) brought the UNPROFOR mission back to the start.

General Nambiar told a news conference in Belgrade the situation in the UNPAS was more difficult than 11 months ago when the U.N. troops were deployed in the Serb-populated areas within the administrative borders of the break-away Yugoslav Republic of Croatia.

The UNPAS, which cover the territory of the Republic of Serb Krajina, was attacked by the Croatian Army on January 22. Over 1,000 people, 800 of them civilians and two UNPROFOR members, were killed in the Croatian offensive.

Deputy Ministers Demand Release of Croats

LD0202193393 Zagreb Radio Croatia Network in Serbo-Croatian 1800 GMT 2 Feb 93

[Text] Croatian Deputy Prime Ministers Vladimir Seks and Mato Granic have sent a letter to UN Secretary General Butrus Butrus-Ghali. In it they stress that the Republic of Croatia, its administrative bodies, public opinion, and particularly its people victimized and displaced by aggression have been—while demonstrating extreme patience and a desire for a peaceful solution to the crisis—tolerating the nonimplementation of internationally assumed obligations and pressure from the Federal Republic of Yugoslavia, where hundreds of Croats are being held in captivity. The Federal Republic of Yugoslavia has been systematically and deliberately dodging every international agreement and is responsible, along with the members of paramilitary formations and illegal local authorities in the ocupied areas of the Republic of Croatia, for the future of almost 14,000 dead, missing, or forcibly displaced and detained people.

In their letter, Deputy Prime Ministers Granic and Seks stress that the Croatian Government demands that Butrus-Ghali advocate the immediate and unconditional release of all prisoners and all forcibly transferred and detained or prosecuted Croats. They also demand that the UN Protection Force supervise the mass graves identified in the occupied areas of the Republic of Croatia and that, following the release and exchange of all captives, a special commission be set up under the auspices of the peace conference that will eventually establish the fate of all individuals who have gone missing in the course of the aggression against the Republic of Croatia.

Finally, the letter stresses that the Republic of Croatia has secured all the preconditions for the implementation of its obligations regarding prisoners.

Volunteers from Kosovo Welcomed in Krajina

LD0202173493 Belgrade TANJUG Domestic Service in Serbo-Croatian 1409 GMT 2 Feb 93

[Text] Knin, 2 February (TANJUG)—Milan Martic, minister for internal affairs of the Republic of Serb Krajina, today addressed the Kosovo and Metohija and Toplica unit which has placed itself under the authority of the general staff of the army of the Republic of Serb Krajina.

Welcoming the volunteers from Kosovo and Metohija and the Toplica area, Martic said that Krajina welcomes any kind of aid in troops, food, and medicines.

He stressed that he appreciates what the Serb people are doing in Kosovo and Metohija and that, if need be, Krajina's men will go to help their Serb brothers.

The fighters of the Kosovo and Metohija and Toplica unit were then addressed by their commander, journalist Dragan Damnjanovic, who said that he has left behind his notebook and camera so he can lead this unit and help the Serbs of Krajina.

He also said that a convoy of trucks, carrying other kinds of aid for the people of Krajina, is on its way from Kosovo.

Serb Leader Wants Change to Electoral Law

AU0202164893 Zagreb VECERNJI LIST in Serbo-Croatian 26 Jan 93 p 6

[Interview with Milan Djukic, leader of the Serbian National Party, by S. Pavic Stazic; place and date not given: "The Serbian National Party Is Not the Opposition"]

[Text] The Serbian National Party [SNS] is the only party that politically, which is to say within state institutions, represents the Serbs in Croatia. The people in the party feel that they are the only authentic representatives of the ethnic Serbian community. The weight or lack of it could best be estimated from last summer's elections, when representatives of the SNS entered the Croatian Assembly, even though they had not been elected. Their actual designation caused many complaints. We discussed with Milan Djukic, leader of the SNS, if the same thing is going to happen with the elections for the Chamber of Counties, or if the Law on Human Rights and the Rights of Ethnic Minorities is going to be better observed.

[Stazic] As soon as the elections for the Chamber of Counties started to stir the political spirits, your party announced that it would not contest the elections unless they were also to be conducted in Knin. However, the SNS is still running in the elections. Was the previous announcement only a [illegible]?

[Djukic] No, it was not. Our goal is, first and foremost, a unitary and sovereign Croatia, existing within its internationally recognized borders. Therefore, we wanted the elections to be held on the entire Croatian territory, provided that UNPROFOR [UN Protection Force] enables this to happen in the so-called Krajina. As for the SNS, we demanded that the Electoral Law be finally changed. We want to eliminate doubts about how the ethnic Serbs will take up their seats in the Chamber of Counties. Although they had not changed the Law, the leadership of the SNS still decided to contest the elections. There is only one reason: Doing the opposite would conflict with our fundamental principles, as it could be interpreted as a boycott, and we are against boycotts of any kind.

Too High a Threshold

[Stazic] The SNS did not take part in consultations of the opposition parties about a possible joint candidacy. Was your party invited to the consultations? What is the SNS attitude toward that?

[Djukic] We were neither invited, nor would we support a joint candidate with them. I think that after two years of the SNS's existence it has become quite clear that our party cannot be in the opposition, because the SNS is not a Croatian party. It is a party of an ethnic minority. Perhaps one day, when Croatia opens its door to democracy, we might declare ourselves the opposition party. However, the complete solution to the ethnic Serbs' political status is a precondition for that. Until we solve our status, there is no way the SNS will become an opposition party. We shall support the proposals of any party, regardless of whether it is the ruling party or the opposition, if we consider the proposals good.

[Stazic] Because of the frequent speculations about your attitude toward the ruling party, would you clarify the attitude of the SNS toward it?

[Djukic] No one has ever criticized the mistakes of the ruling party as much as the SNS has, but that was all in the interest of the collective Croatian policy. I think we have already accounted for our attitude that we should not criticize Croatia abroad, but discuss everything here within Croatian state institutions.

[Stazic] Just as in last summer's elections, you have again warned that the SNS is not going to win enough votes to pass the necessary threshold of 5 percent of the vote. You gave as the reason the shortage of ethnic Serbs in the electorate. Is that the real situation, or is there something else?

[Djukic] It is really a fact that there are not enough Serbs in the electorate. Some of them left Croatia because their human rights had not been respected, some left simply because they were not sure if it was better to stay or to go. Some Serbs moved to Krajina. The conditions obtaining in these elections are exactly the same for the ruling party and the opposition parties, as well as for the SNS. In previous elections, the limit was 3 percent, and we still did not make it. Now it is up to 5 percent. It is a tragedy. The legislation did not answer the question of how to make it possible for ethnic Serbs to enter the Chamber of Counties. The Electoral Law that was passed last year is still valid, which means that some more "deletions" from the lists of Croatian parties will come about. The SNS is not against the Croatian parties, but it happens that a Serb who is a member of the Social Democratic Party, or the Croatian National Party, is voting against the ethnic Serbs' interests. It is logical—he does what his party wants him to do.

Special Electoral Law for Ethnic Serbs

[Stazic] You claim that the Law is not observed when electing ethnic Serbs' representatives to state bodies?

[Djukic] Absolutely. The Law also refers to the election of the representatives. The manner of electing them is very important, and is not just a matter of filling a certain quota.

[Stazic] So you are advocating a special electoral law for the ethnic Serbian community in Croatia?

[Djukic] Yes, I am. The Serbs in Croatia should also have at their disposal electoral rolls with Serbian candidates to vote for, and the same applies to all other minorities—if we are a minority.

[Stazic] Is citizenship also an issue at these elections?

[Djukic] Yes, it is. Not so much in Zagreb, but in Istria, Slavonski Brod.... I have also heard that those who did not manage to register as voters last summer are not even trying to do so now. They feel insulted.

[Stazic] Whose votes are you counting on? Which ethnic Serbian groups are you addressing?

[Djukic] It is hard to discuss that now, for it is a difficult time we are living in, but I think that people of all kinds will vote for us. The Serbs are a very strange people. The intellectuals have failed.

[Stazic] You say that the Electoral Law again violates the Constitution, that is to say, it does not state exactly how many Serbian representatives should enter the Chamber of Counties?

[Djukic] Paragraph 18 of the Constitution says that Serbian representatives ought to have a proportional number of seats in parliament, which means there should be seven of our representatives in the Chamber of Counties. Because parliament is both the Assembly and the Chamber of Counties. However, the Electoral Law does not refer to the Chamber of Counties.

[Stazic] What are the expectations of the SNS then?

[Djukic] If the 5 percent threshold remains, then we expect nothing. There is no constituency where the SNS can win 5 percent. All we can do is to appeal to the Constitutional Court, or to the international public. We suggested that each district should elect three representatives, and the seventh representative should be elected from the entire region. This was rejected. Besides, according to the Constitution, the president can designate up to five representatives in the Chamber of Counties. However, the other possibility is to abide by the Electoral Law, and again "delete" the Serbs from the lists of parties.

[Stazic] So, it seems that one can expect seven ethnic Serbs' representatives to enter the Chamber of Counties, but how it will happen no one knows. If you do not reach the 5 percent threshold, what will you do?

[Djukic] We shall submit a complaint to the Constitutional Court, because we demand the implementation of the paragraph that states that the ethnic Serbs are not a nation. So, the 5 percent quota does not apply to the SNS. We shall try to take it to the International Court [of Justice], because it is about time that someone gave an official interpretation of the Constitution.

As Many Seats as There Are Brains

[Stazic] How many seats do you expect the SNS will get?

[Djukic] Well.... What do I expect? If everyone had enough brains, we would get the number of seats regulated by the Constitution.

[Stazic] How does the SNS generally explain the role of the Chamber of Counties in state policy, and also in the policy toward the minorities?

[Djukic] The Chamber of Counties should be the main channel for reorganizing the entire state policy. The county constituencies are units that link not only the layers of local self-government with the government, but also other important interests, including national and cultural interests. Its advantage is that the Croatian Assembly gives its opinion on issues that are under the authority of the Chamber of Counties, and in particular issues concerning the rights and freedoms of ethnic minorities.

[Stazic] For the coming elections, the SNS has put forward its lists in four county constituencies and two towns. Is that too many, too few, or just right?

[Djukic] Because of our principles, we did not put forward candidates in three constituencies that border Krajina. We have gone for those four constituencies and two towns, because of the large number of ethnic Serbs living there. We actually wanted to mobilize the people there, for had we not put forward the lists—they would not have thought of voting at all.

Federal

President Not Invited to Assembly Session

LD0202225893 Belgrade TANJUG Domestic Service in Serbo-Croatian 2158 GMT 2 Feb 93

[Excerpt] Belgrade, 2 Feb (TANJUG)—Yugoslav President Dobrica Cosic has not been invited to tomorrow's constitutive session of the Federal Assembly, POLITIKA has officially learned from the president's office. President Cosic does not intend to come to the session, POLITIKA writes in tomorrow's issue. Sources in the Palace of the Federation say that they have read in newspapers about the Serbian Radical Party leader's [Vojislav Seselj] initiative to relieve President Cosic of his post. However, it is possible that the initiative will be set in motion tomorrow. Vukic Bulatovic, secretary of the Chamber of Republics, told POLITIKA that "no such requests have been made officially" and that there have been no requests to expand tomorrow's agenda. According to Bulatovic, no deputy has announced that he/she will not attend tomorrow's session. POLITIKA has unoffically learned that opposition deputies might walk out of the session after their mandates are confirmed. [passage omitted]

Panic Pledges To Continue Working

LD0202204793 Belgrade TANJUG in English 1908 GMT 2 Feb 93

[Text] Belgrade, February 2 (TANJUG)—Outgoing Yugoslav Prime Minister Milan Panic said on Tuesday [2 February] that he would responsibly carry out his mandate until the inauguration of the new Federal Government, and afterwards do business and contribute to the devolopment of a democratic system in the Federal Republic of Yugoslavia (F.R.Y.). In late December, the federal parliament voted no confidence in Panic.

After a Federal Government session, Panic told a press conference he was considering the possibility to remain involved in the search for peace and democracy in Yugoslavia. He said he felt responsible for his 1.5 million voters.

Panic ran for president of Serbia in the early parliamentary and presidential elections held in Serbia and Montenegro—two federal units of the F.R.Y.—on December 20, 1992. However, President Slobodan Milosevic was overwhelmingly reelected.

Underscoring that he had come to Yugoslavia in July 1992 in an attempt to help restore peace, Panic said that peace was now closer, that steps towards democratization had been made, but that there was still a lot to be done.

After Panic received the vote of no confidence from the federal parliament, he spent a month visiting the U.S., Geneva and Budapest. In his talks Panic urged representatives of the new U.S. Administration, U.N. officials, cochairmen of the Geneva conference Vance and Lord Owen, Bosnian Serb leader Radovan Karadzic and Hungarian Foreign Minster Jeszenszki, to support the Geneva talks and peace plan for Bosnia-Hercegovina, as well as economic cooperation in the Balkans.

Panic told the press conference that he fully supported the F.R.Y. President Dobrica Cosic as a person of high credibility both at home and abroad. His replacement would, at this moment, be tragic for Yugoslavia, Panic said.

Army Chief Receives UNPROFOR Commanders

LD0202163993 Belgrade TANJUG Domestic Service in Serbo-Croatian 1414 GMT 2 Feb 93

[Text] Belgrade, 2 Feb (TANJUG)—The chief of the Yugoslav Army General Staff and his aides received Lieutenant Colonel General Satish Nambiar, commander of the UN Protection Force [UNPROFOR], and Lieutenant Colonel General Philippe Morillon, UNPROFOR commander for Bosnia-Hercegovina, and their aides in Belgrade today. It was assessed during these talks that, the Information Service of the Yugoslav Army General Staff revealed, Croatia's attacks on areas under UN protection have renewed war operations and put into jeopardy UN peace operations in former Yugoslavia along with the entire peace process. It was also concluded that it is necessary to undertake energetic measures to prevent further escalation of conflicts and to reestablish operations and responsibility of UNPROFOR in the south sector.

In connection with this, General Panic drew attention to the special responsibility of the UN and other international factors to ensure that Croatia meets its obligations outlined in Security Council Resolution 802 on the end of war operations and the withdrawal from areas under UN protection, says a statement of the Information Service of the Yugoslav Army General Staff.

Djukic Says Croatia Drawing FRY Into Conflict

LD0202144993 Belgrade TANJUG in English 1343 GMT 2 Feb 93

["Pool" item]

[Text] Belgrade, Feb 2 (TANJUG)—Yugoslav Foreign Minister Ilija Djukic said on Tuesday [2 February] Croatia was ready to "overinternationalize the conflicts" in the territory of former Yugoslavia and draw the Federal Republic of Yugoslavia in an open conflict, by continuing and preparing new attacks on Krajina.

In a letter to the U.N. Security Council president, Ambassador Ahmed Senoussi of Morocco, Djukic called on the world organization to take an urgent action to stop the aggression.

"I have to inform you with regret and resentment that, in defiance of Resolution 802 adopted by the Security Council and despite condemnations expressed in the statements of its president, the Republic of Croatia's brutal aggression against the areas under U.N. protection continues. To make thing worse, according to the information available so far, the Republic of Croatia is preparing a fresh attack on the area of western Slavonia (Sector West)," Djukic said in the letter.

"The Republic of Croatia is continuing the concentration and operational deployment of its forces in the area of Lipovljan, Kutina, Garesnica, Novska, Pakrac and Nova Gradiska. An armoured column is stationed on the Petrovo Selo-Nova Gradiska road. Tanks are also being deployed along the Kutina-Novska route. The Republic of Croatia intends to carry out the whole operation under the pretext of ending the blockade of the motorway (Zagreb-Belgrade). In addition to infantry, artillery and armoured units it also plans to use its air force," Djukic set out.

"Conscription is continuing in the Republic of Croatia and call-up slips have been sent also to Croatians living in Austria, Germany and Hungary. Reconnaissance missions have been intensified with respect to Baranja, western Srem and eastern Slavonia as well as troop build-ups in the wider area of Osijek, Valpovo and Vinkovci. Over the past few days, the Croatian authorities have even begun evacuating the civilian population from Daruvar to Bjelovar (Sector West) and from eastern part of the town of Osijek to the village of Sarvas (Sector East), and vacating hospitals—an additional indication that the preparations for a new aggression are underway," the letter added.

It said the Commander of UNPROFOR [UN Protection Force] Sector West, General Carlos Zabala, and the UNPROFOR Commander, General Satish Nambiar, were informed about this.

The F.R. Yugoslavia, as a signatory of the Vance plan, has both the obligation and the right to protect the Serbs in the U.N. Protected Areas (UNPAS), Djukic set out. He said Yugoslavia had already "warned of this commitment, though it has exercised maximum restraint so far in respect of Croatia's aggression in the UNPAS, which is in accordance with its efforts aimed at safeguarding peace and ensuring success of the Geneva conference."

Djukic said a Croatian attack on Slavonia would threaten the borders of the F.R. Yugoslavia, a "fact which should particularly be borne in mind in the context of provoking possible actions by the F.R.Y. in the future."

Yugoslavia and its government are still firmly committed to a peaceful and negotiated solution of the conflict in the framework of the Geneva conference, the Yugoslav foreign minister said.

"For all these reasons, we expect not only a fresh condemnation of the Republic of Croatia, but also specific measures to be taken by the Security Council to punish the previous and prevent any further aggression by Croatia. Unless, as a matter of urgency, measures are taken in this respect, the aggression of the Republic of Croatia will threaten to spread the flames of war to the entire Balkan region," Djukic said.

Welcomes Russian Statement

LD0202182793 Belgrade TANJUG Domestic Service in Serbo-Croatian 1727 GMT 2 Feb 93

[Text] Belgrade, 2 Feb (TANJUG)—Federal Minister of Foreign Affairs Ilija Djukic assessed a statement by Russian Deputy Foreign Minister Sergey Lavrov in which he urges the resolution of the Bosnia-Hercegovina situation in the Security Council on the basis of the Vance-Owen plan as "a step forward in the right direction."

"We maintain that a peaceful, political, and consensual solution which would secure a lasting and just peace in Bosnia-Hercegovina can be based on the Vance-Owen plan," Ilija Djukic told TANJUG diplomatic editor Stevan Cordas.

"We are convinced that peace and stability on the territory of former Bosnia-Hercegovina are in the interest of all its three nations."

Reviewing Lavrov's statement again, Djukic said:

"We highly regard this Russian position and we believe that Security Council support for the Vance-Owen plan and its future completion on the one hand, and on the other hand resolute action to stop the war from spreading on the soil of the former Yugoslavia as a result of the Croatian aggression in the UN-protected areas, could be turning-points on the road to peace, stabilization, and the final denouement of the Yugoslav crisis. We believe that other Security Council members, and specifically the permanent ones, and other international factors will make efforts to achieve this," Federal Foreign Minister Ilija Djukic said.

Government Assesses World Community Attitude

LD0202174793 Belgrade TANJUG Domestic Service in Serbo-Croatian 1557 GMT 2 Feb 93

[Text] Belgrade, 2 Feb (TANJUG)—The FRY Government concluded at its session today that the world community has changed its attitude partially, but encouragingly, towards our country, particularly following the constructive participation of its representatives in the Geneva negotiating process, the Federal Information Ministry announced today.

The FRY Government, at its session today which was presided over by Prime Minister Milan Panic, examined a report on his talks in the United States, Geneva, and Budapest.

Panic conveyed to the government assurances that he received from official representatives of the U.S. administration that the United States is opposed to the military intervention as a way of resolving the crisis on the territory of former SFRY. The government concluded that the international community can be expected to further strengthen its course towards the peaceful settlement of the crisis in former Yugoslavia.

Examining the current economic situation and considering the negative effects of the sanctions, the government concluded that the production last year dropped by 55 percent in relation to 1990. The personal income last year was halved in real terms, while the uncontrolled inflation is on the constant rise. There are around 750,000 unemployed, while around 1 million people are employed only on paper. The exhausting of reserves and the current assets is particularly worrying.

The federal government concluded that not only have such economic trends brought the economy and citizens of FRY into an unenviable position, but they have also deprived the country of any long-term development prospects, the Federal Information Ministry announced.

Army Offers Buses for Public Transportation

LD0202185193 Belgrade TANJUG Domestic Service in Serbo-Croatian 1509 GMT 2 Feb 93

[Text] Belgrade, 2 Feb (TANJUG)—The transport administration of the General Staff of the Yugoslav Army today made available to the Belgrade city authorities 10 buses with drivers, and a number of drivers who could drive public transportation buses. According to the Information Service of the General Staff of the Yugoslav Army, the decision was made as a result of the collapse of public transportation in Belgrade and with the sole aim of helping citizens.

Appeal to Croatia To Release Captured Reporter

LD0202185593 Belgrade TANJUG Domestic Service in Serbo-Croatian 1452 GMT 2 Feb 93

[Excerpts] Belgrade, 2 Feb (TANJUG)—The Federal Information Ministry has requested that the Croatian authorities undertake all measures in order to secure the release of Ognjen Tadic and Milovan Pejanovic, a reporter and cameraman of Channel S television from Pale, who were recently captured. [passage omitted]

We appeal to and ask the Croatian authorities, the Brussels-based International Federation of Journalists, and all relevant international organizations and figures to help in securing the release of the captured journalists, so that two new names are not added to the list of the journalists killed in this war, the appeal stresses.

General on Transformation of FRY Army

93BA0518A Belgrade VOJSKA in Serbo-Croatian 12 Nov 92 pp 6-8

[Interview with Lieutenant Colonel General Rade Polic, chief of the Administration for Operational Affairs in the General Staff of the Army of Yugoslavia, by Nikola Ostojic; place and date not given: "Preserve the Sound Roots and Cast Off the Bad Legacy"]

[Text] Transformation of the Army of Yugoslavia [VJ] and its adaptation to the new conditions in our country is certainly one of the most important and most complicated activities in the new federal state and has been going on for more than half a year now. Changes in various segments are taking place at differing rates, depending on their nature and how they are organized. We talked to Lieutenant Colonel General Rade Polic, chief of the Administration for Operational Affairs in the General Staff of the Army of Yugoslavia, about what has been done, that is, how much has already been achieved in transformation of the Army.

[Ostojic] General, the change we have been witnessing and the reduction of the territory of Yugoslavia have also had a bearing on transformation of the former JNA [Yugoslav People's Army] into the Army of Yugoslavia. Please explain in more detail for the readers of our newspaper the scope and number of changes which have been made so far and—in that same framework—what is meant by transformation of the Army, and to what extent is it being carried out?

[Polic] Much of that has been said and written about the transformation of the Army of Yugoslavia in the information already issued for the Army and for the general public in the FRY [Federal Republic of Yugoslavia], especially in the recent past. The wave of changes extends to all parts of the military organization, beginning with reduction of the numerical size to the planned limits and changes in the country's system of mobilization and ending with establishment of altogether new relations in organizing the overall preparations for defense of our homeland.

A New Strategy for a New Army

Viewed as a whole, the transformation of the Army of Yugoslavia is a complete transformation of the former JNA and TO [Territorial Defense]. It is a question, then, of a complex task which can be examined from several standpoints.

The most important changes have to do with establishing the general doctrinal positions and commitments and with the drafting of normative documents in keeping with the objective requirements of the country's defense and with the place and role of the Army of Yugoslavia in the system for the country's defense and overall security. Certainly, the most important thing for us is defining the new military strategy. In view of the fact that the military-political and military relations and factors in the immediate environment have undergone essential change, and it is a fact that our former state has fallen apart, so that all the resources for war have undergone change, it is inevitable that the strategy of our defense, and therefore military strategy, be redefined so as to honor the changes that have occurred, to include strategic commitments with respect to professionalization and depoliticization of the Army, but also to ensure an effective response to all challenges and threats, which happen to be on the rise, especially when it comes to internal threats. In the face of all those increased threats, we must strengthen our deterrence and counterstriking ability, especially for what are called actions from a distance. Because the systems involved are expensive, we must establish priorities and strive to realize them in practice at all levels of the government and the military.

The drafting of our new military strategy must be a team effort, it must be organized and systematic, and experts in various fields must be called upon. This is a difficult and complicated job that will take quite a bit of time. We still, then, cannot speak of a strategy that has been worked out, but it is more a question of certain basic points of departure of such a strategy and commitment which in any case we intend to verify in discussions of specialized topics by experts. There will be several of those debates, and our specialized public will be informed in good time about their progress and results. It is extremely important to quality definition of a new military strategy that scientific research be organized and its results used in the VJ and that various areas of science be called upon.

We also face important obligations to examine at the level of doctrine all the relevant changes in the military factor in the world and in our country and to take them into account in all of our developmental plans and activities, beginning with the organization and formation of the Army, the system of mobilization, the training system, the schools, the command and control system, material supply and health support, etc.

[Ostojic] The transformation has not been completed, what has been done so far?

[Polic] The transformation of the JNA and TO into the Army of Yugoslavia has abandoned the system of military organization consisting of two parallel components, and the transition has been made to a unified operational Army. That solution has been imposed by the experience gained in the war on the territory of the former Yugoslavia.

The regional-military organization has been set up on new foundations, and the commands in those structure and units have been subordinated to operational structures. Nevertheless, it is not a question of a second component, but of specific regional-military bodies and units within the framework of the operational Army which will perform strictly defined tasks in a particular area.

The Army of Yugoslavia is numerically smaller, but it is highly mobile and has up-to-date armament, so that it can effectively oppose a possible aggressor carrying out actions of high intensity. As the Army has been reduced in size, it has been updated, because some of the obsolete military equipment is being cast aside from its armament. A new organizational-formational structure of commands and units has also been established and has guaranteed more effective and up-to-date command and control, maximum economic efficiency in building combat readiness in peacetime, and effective performance of special-purpose tasks in wartime.

In addition, as is well-known, the SSNO [Federal Secretariat for National Defense] and General Staff of the SFRY Armed Forces have been reorganized as the Defense Ministry and General Staff of the Army of Yugoslavia. At the operational and strategic level, the Ground Forces [KoV], the Air Force and Air Defense [RV i PVO], and the Navy [RM] have been organized. The Ground Forces have been organized into armies, the armies into corps; the RV i PVO have also been organized into corps; and the Navy into the fleet and other units.

The Army Has Been Depoliticized

The pace of the transformation of the performance of particular tasks in these areas will depend greatly on the stability of the system for financing the Army of Yugoslavia, and that applies particularly to modernization of various weapons systems and to increasing the effectiveness of the country's defense with considerably fewer personnel.

With the multiparty system in operation in the country, the Army has been depoliticized—it does not influence the country's political life, and it is not committed as to party. Members of the Army of Yugoslavia, as is well-known, may not be members of political parties nor take part in their activity.

[Ostojic] What kind of changes have occurred in combat training and the military schools as well as in other areas of the life and work of the Army of Yugoslavia?

[Polic] In the process of the VJ's transformation, one needs to look at the overall system for the schooling, training, and development of abilities of personnel, whose purpose is to provide trained men and officers for enrollment under contract for particular positions in the military without additional schooling and training. Training will be freed of unnecessary content and certain inherited views which have been superseded. We want to create individuals and collectives capable of waging combat and of performing all the special-purpose tasks under all conditions of the cruel reality of war.

Then we will undertake to consolidate the military infrastructure, which will ensure the required standard of living of members of the VJ. The defense industry will be adapted to transformation of the Army through development of the necessary capacities for manufacturing and supplying to commands and units up-to-date weapons and materiel; the existing potential of the economy will be utilized to the maximum.

Basically, these tasks are being carried out according to schedule. A large number of tasks have been performed so far, especially in the area of organization and military structure.

[Ostojic] What has changed now that the SSNO has been transformed into the Defense Ministry and with the new organization of the VJ General Staff?

[Polic] In accordance with certain priorities, the Defense Ministry has been set up as the sectoral body of the government for affairs of national defense. Consistent with those changes, the Defense Ministry has taken over some of the tasks of the SSNO and some of those of the JNA General Staff.

The New Role of the Defense Ministry and VJ General Staff

The VJ General Staff has been organized into sectors and administrations, and the new structure has been optimally adapted to its new place and role in the system of command and control of the Army of Yugoslavia in wartime and peacetime. The quality of the changes at the strategic level can be seen in the clear delimitation of the functions of the Defense Ministry and the General Staff. This guarantees that the progress and quality of performance of particular tasks can be scrutinized at other levels of command control.

These changes have guaranteed more effective functioning of the control system, and certain authorities have also been transferred to strategic groupings. The General Staff is numerically smaller, its organization and equipment are up-to-date, it is more effective in performing the staff function, and it has been relieved of all other tasks and obligations which are not in the domain of combat readiness.

The proportion of the personnel of the Defense Ministry and VJ General Staff relative to the projected numerical size of the Army of Yugoslavia in peacetime is smaller than the armed forces of neighboring countries and of most of the armies of the European countries.

[Ostojic] What changes have been made in the services and arms?

[Polic] The Ground Forces are the structure of the Army of Yugoslavia with the largest number of personnel. The basic point of departure in transformation of this service was to adapt the structure to the needs of the new state and to the territory of the Republics of Serbia and Montenegro and to the human and material resources. In a very short time, the transformation has brought combat readiness to the necessary level and guaranteed that all structures are capable of performing their assigned tasks.

The emphasis in transformation of the KoV has been on reducing the organization and military structure of the service to the established numerical size and building a better quality new system of combat training and general indoctrination of soldiers.

Professionalization

Transformation of the Army and the Ground Forces will essentially alter the personnel structure, so that professionals will make up about 50 percent of enlisted men. It is envisaged that soldiers under contract will operate the most sophisticated technical systems and equipment. This will have an essential impact toward increasing the combat readiness and effect in combat, and at the same time it will reduce regular training costs.

The savings achieved in this way would fall within the limits of the total material outlays for professional personnel.

The RV i PVO also has an important place in the context of transformation of the Army. The basic principle by which we are guided in this branch of our armed forces is that it, as a part of the VJ, will be set up organizationally and in military structure so that it can effectively perform its role and fulfill its purpose, which is to protect the territory of the FRY against attacks from the air, against offensive and defensive operations, and to guarantee air support of forces of the KoV and RM in direct, indirect, and independent combat action.

The reorganization of the RV i PVO was undertaken in the context of experiences from the combat operations on the space of the former Yugoslavia and also from local wars that have occurred; consideration was given to what equipment a potential aggressor would possess and what principles would govern its use, what are its characteristics of our territory, and what are the human potential and material potential possessed by the state of the FRY and the Army of Yugoslavia?

In this branch, there is insistence once again on professionalization, and here the goal is for every member of the RV i PVO to perform his tasks professionally and excellently and to be devoted to his homeland.

A Considerably Smaller and More Effective Navy

As an integral part of the VJ, the Navy is also undergoing planned transformation in all areas of its life and work.

When it left behind the territory of Croatia and Slovenia, the Navy found itself on the territory of Montenegro, which in its physical-geographic and other characteristics differs essentially from the earlier zone. Naval forces and strong coastal defenses are defending a smaller zone of responsibility, but they will undergo considerable changes along with all other forces. Aside from the reduction in the number of vessels, because of the diminished needs and on the basis of efficacy of use on the open sea, there will be a reduction in the share of outdated armed systems on the mainland. This service has also undergone changes in organization and military structure that are helping to improve the quality of concentration of strikes and depthwise.

The accommodation and basing of the forces of the Navy will require quite sizable material investment, especially because the Montenegrin coast is oriented toward tourism, so that methods are explored that "take away" as little coast as possible for military purposes, so as to contribute in this way to the general and economic development of the Republic of Montenegro.

The most important change being carried out in the Navy is certainly the creation of highly professional seamen, because this is a branch which possesses more modern and sophisticated equipment and requires a high level of professionalization, and personnel must not be allowed to put a limit on the organizational or technical progress or any other kind of progress.

This demand presupposes a changeover of personnel and an influx of younger personnel. This is a difficult and painstaking job, and it requires a long-term investment, especially in officers.

[Ostojic] You said, General, that 50 percent of the soldiers will be professionals. What will the professional soldier and officer be like?

[Polic] The system of combat training as we have known it will undergo an essential and qualitative change as contract soldiers are trained and as cadets go through their training, especially through the advanced training of the reserves. A proposal is also being prepared on a method of recruiting, educating, and providing advanced training for reserve officers.

It is planned that half of the men in the projected numerical size of the Army of Yugoslavia be professionals, as I have said. Plans are to put them in posts requiring a high degree of professional competence with the most up-to-date systems, such as the systems they have in the RV i PVO, the Navy, mechanized armor units, communications, artillery, and other arms. Drivers of combat and noncombat vehicles will also be professionals.

Thanks to their superb training and skill, the professionals will increase the mobility of units and effectiveness of systems, and in that way they will augment the overall combat readiness of the VJ. This will also reduce training costs, lengthen the life of military equipment, and reduce other costs. Soldiers doing required military service will hold the less complicated positions and will also receive superb training. Experiences of other armies in the world which have committed themselves to this manner of replenishment of personnel have been favorable, and so we are taking advantage of them under our conditions.

The professional soldier must not be a member of any political party either. He must be committed to defense of the country, a patriot, and ready to carry out missions under all conditions of a cruel war, and he must be mentally and physically stable. Personnel of that kind will be obtained by recruiting soldiers who have done their military service and have already been trained for particular duties of enlisted men.

[Ostojic] What will be the numerical size of the new Army?

[Polic] The Army of Yugoslavia in peacetime will have about 100,000 to 120,000 well-trained men.

Combat Traditions

[Ostojic] What are the basic commitments in transformation of training?

[Polic] Radical changes are taking place in the area of combat training. In the system of training, we will produce highly specialized professional personnel who at the end of training will be able to become professional soldiers without additional training. Changes in curricula are increasing the time given to intensive training of individuals and units at the lower tactical level. Training curricula and syllabi have been freed of certain inherited and superfluous content, and a completely new recordkeeping system has been set up for monitoring the process of training. Competition in combat training has been organized in a new way from individuals to units at the tactical level. Physical education has been organized in a new way, and new content has been introduced with a view to the missions performed by members of the Army. Those are only some of the changes.

In addition, conditions are being brought about for scientific research in combat training, which, we expect, will guarantee steady refinement and improvement of combat training.

[Ostojic] On what traditions will the indoctrination of members of the Army of Yugoslavia be based?

[Polic] The formation of the new state and of its army presupposes a new approach in the nurturing of tradition as well. The new social position of the Army is the key element here. The Army must premise its indoctrination of personnel on the fact that it is depoliticized because it is an important organization of society, and this actually obliges it to take a principled approach in selecting the traditions to be nurtured from the standpoint of soldier morale. The Army of Yugoslavia will not take a stereotyped approach to traditions. That is, tradition will not be an end, but an important element in motivating people to carry out missions in peacetime and wartime. It has been confirmed scientifically and by experience that traditions have a strong influence on the unity of both groups of soldiers and the entire Army as an organization.

The indoctrination of members of the Army of Yugoslavia will undoubtedly rely on the freedom-loving and fighting traditions in the rich historical past of the Serbian and Montenegrin peoples. The wars of liberation and just wars of the Serbs and Montenegrins for their own freedom and for a decent life are an inexhaustible source of topics to meet the needs of indoctrinating the personnel of the VJ. Combat traditions are not, of course, the only source for indoctrination, but on this the Army cannot decide on its own. The state must decide and see to the observance of historic dates and state holidays. All symbols and insignia referring to the former JNA and state have been removed from work areas and facilities, from clothing, and other places. New symbols, names, and insignia are now being prepared. This process depends above all on legislation that will be adopted at the level of the state.

The Army wants to become a highly professional organization and in that context it will not, nor should it, sever its roots in the traditions of the peoples which have formed it, especially because consistent professionalization of the Army presupposes the omission of ideological and political content.

[Box, p 7]

Social Welfare Problems

The modest material capabilities and other capabilities of the VJ do not always make it possible to find satisfactory solutions to the problems that arise with accommodation, employment, schooling, reimbursement of damage, and other things for members of the Army and members of their families who have been moved to the territory of the FRY. In addition, an effort is being made to provide first of all as many military facilities as possible for the necessary accommodation and to allocate aid from the solidarity fund and from funds for the social services.

It lies in the competence of the bodies of government of the FRY to solve the problem of compensation of the property and losses incurred.

To further mitigate the consequences of withdrawal from the republics that have seceded, aside from furnishing and regularly adjusting salaries and other compensation of costs, activities have been undertaken with government bodies to provide additional funds to speed up the financing of construction of service housing, to facilitate the purchasing of durable consumer goods necessary for the normal life of families, and to solve other problems.

[Box, p 8]

Military Schools

The military schools are in a phase of important changes directed toward optimalization and improvement of the quality of the schools.

The six military academies have been reorganized as two: the Military Service Academy and the Military Engineering Academy. Those two academies now make up the Military University. Teaching personnel have been concentrated, and a large number of professors from universities in the FRY have been recruited for subjects in the social sciences, natural sciences, and mathematics.

Centers for the training of specialists have been formed for training cadets, and in the coming period future officers will undergo practical training in those centers. There are plans to do away with all the secondary military schools and to recruit for noncommissioned officers graduates of secondary civilian schools and give them one year of additional training. Instead of the command-staff schools, there will be the General Staff School, and the name of the National Defense School will be changed [from Skola Narodne Odbrane to Skola Nacionalne Odbrane].

Better and fuller teaching facilities and supplies will be provided, and at the same time there will be an essential reduction in the overall costs of schooling.

Serbia

Belgrade Transport Workers Strike for More Pay

LD0202152593 Belgrade TANJUG in English 1224 GMT 2 Feb 93

[Text] Belgrade, February 2 (TANJUG)—A part of the employees of the city's transportation organization GSB [expansion unknown] went on strike on Tuesday [2 February] morning in Belgrade demanding higher salaries.

Only trolley-buses are running as usual, the number of buses in the streets have been reduced by half, while trams are not operating at all, GSB official Dragan Dimitrijevic said.

Members of the Independent Trade Union and the Professional Trade Union are on strike. The official Trade Union has given its formal support to the demands of these workers, but has refused to take part in the protest for the time being. Around 6,500 of the 8,000 GSB workers are members of the official Trade Union.

The strike began after workers and company leaders failed to reach agreement on Monday. The strikers demand a 150-percent increase of their salaries with payments every two weeks, and better working conditions.

The official Trade Union of the GSB, together with the trade unions of 11 other Belgrade companies, have asked the city authorities to form the lowest salary monthly on the grounds of the established cost of living. Unless their demand is met, they will join the strike on Monday, they said.

Meanwhile, talks continue between the striking workers and the GSB leadership and city officials, Dimitrijevic said.

The city's transportation system operated with much difficulty even before this strike began because of a petrol shortage which is a result of the United Nations oil embargo introduced against the Federal Republic of Yugoslavia in late May last year.

Guard Sets Up War Headquarters

LD0202173693 Belgrade TANJUG Domestic Service in Serbo-Croatian 1601 GMT 2 Feb 93

[Text] Belgrade, 2 Feb (TANJUG)—The Serbian Guard [paramilitary wing of the Serbian National Renewal] today set up a war headquarters and declared general mobilization of all its members, a statement forwarded to TANJUG stresses. Ranko Lainovic will head the war headquarters and will also be the Serbian Guard commander in absence of Branislav Lainovic, the statement says. Fighters can register their names with the headquarter premises in Terazije number three [in downtown Belgrade].

Macedonia

Government Drops Gas Rationing System

AU0302110593 Paris AFP in English 0318 GMT 3 Feb 93

[Text] Skopje, Feb 3 (AFP)—The government of the former Yugoslav republic of Macedonia is to drop a seven-month-old petrol rationing scheme following the easing of the oil supply situation, national radio said here Tuesday [2 February].

The radio said the government had also decided to raise the price of petrol, which was formerly rationed on a voucher system, by 50 percent.

The change in policy followed an agreement with Greece, which controls the main access routes to this landlocked country, on a resumption of supplies.

Greece is at odds with the former Yugoslav republic over its name, which is the same as that of a Greek province. Athens wants Macedonia to take another name before it will agree to diplomatic recognition.

Montenegro

Social Democrats Protest Expulsion of Muslims

LD0202141593 Belgrade TANJUG Domestic Service in Serbo-Croatian 1318 GMT 2 Feb 93

[Excerpt] Podgorica, 2 Feb (TANJUG)—The Executive Council of the Social Democratic Party of Montenegro's Reformists today expressed its indignation at what it called the ethnic cleansing of Trebinje.

Following a report by Montenegro television last night about the arrival in this republic of about 700 Muslim refugees from Trebinje, this party's leadership stresses that this is "the most telling testimony to the policy and "the politicians" who style themselves advocates of Serbian interests in Bosnia-Hercegovina." [quotation marks as received]

From these events, it is stressed, it is possible to imagine the extent and method of ethnic cleansing that has taken place in those areas which have been drastically exposed to war, and from which millions of innocent people have been forced to flee and to face uncertainty. [passage omitted]

Bulatovic Believes FRY Crisis Close to Solution

LD0202174293 Belgrade TANJUG in English 1639 GMT 2 Feb 93

[Text] Podgorica, Feb 2 (TANJUG)—The crisis in former Yugoslavia is today much closer to a lasting and comprehensive solution, Montenegrin President Momir Bulatovic said on Tuesday [2 February].

Addressing a parliament session devoted to the political situation in the country, Bulatovic said the war in former Yugoslavia could be stopped by an appropriate and just action of the international community, of the interested mediators and of the sides directly involved in the conflict.

The crisis in former Yugoslavia was internationalized to the maximum degree when the talks on the Bosnia-Hercegovina conflict temporarily moved from Geneva to the U.N. headquarters in New York, which is now expected to take resolute actions to stop the Croatian aggression on the U.N. protected areas, Bulatovic added.

He said one could expect the world organization to take "final decisions or the decisions which cannot be revoked, at least not in the foreseeable future." There are also indications of an international congress at which the "world's most influential countries would impose solution on the territories of former Yugoslavia," Bulatovic set out.

He said the Croatian aggression on the Republic of Serb Krajina (RSK) was a "brutal violation of the U.N. resolution" and a "strong blow to the negotiation efforts and crime against the population" in the RSK which is under U.N. protection.

The Federal Republic of Yugoslavia "has given priority to diplomatic over military activities" and restrained from military means, being convinced that the U.N. would take a resolute action against the aggressor and protect its own authority and the foundations of the international legal order, said Bulatovic.

However, he added, the Croatian leadership was celebrating its "military victory," sending new threats from election rallies throughout Croatia and ignoring the U.N. resolutions.

The fighting renewed amidst the intensive peace talks in Geneva, because the instigators of the Bosnian war wanted to undermine Yugoslavia's constistent position in the talks and dispute its sincere commitment to peace and political solutions of the disputes, said the Montenegrin president.

The F.R. Yugoslavia has complied with all the U.N. resolutions, but the E.C. is nevertheless threatening to isolate Yugoslavia totally, instead of initiating the easing of the U.N. sanctions, Bulatovic added.

Yugoslavia has been put under an unprecedented embargo, under a U.N. decision which was not and cannot be based on the facts or Yugoslavia's responsibility for destabilizing the international order and contributing to the spreading of war conflicts.

Montenegro and Serbia make up the Federal Republic of Yugoslavia.

Kosovo

Bukoshi Asks UN To Send Troops to Kosovo

AU0202182193 Tirana ATA in English 1120 GMT 2 Feb 93

[Text] Tirana, February 2 (ATA)—The Government of the Republic of Kosovo demanded from Geneva peace conference on former Yugoslavia to send peacekeeping forces to Kosovo to prevent by the Serb forces [as received]. The premier of the Republic of Kosovo, Bujar Bukoshi, demanded from the United States to send 4,000 blue helmets to Kosovo.

In his meeting with the cochairmen of Geneva conference, Cyrus Vance and Lord Owen, Dr. Bukoshi expressed worry that the blue helmets recently sent to Macedonia will supervise only the Albanian border with that of Kosovo. He said further on that over the last two years, Serbia has continued repression against the Albanians, forcing over 200,000 Albanians to emigrate. The peacekeeping forces in Kosovo will stop the ethnic cleansing of Serbia against the Albanians, Dr. Bukoshi said.

Trial Begins for 20 Accused Arms Smugglers

AU0202204293 Tirana Radio Tirana Network in Albanian 1430 GMT 2 Feb 93

[Text] Another trial of Albanians began today in the Prizren District Court. The Serbian court officials have placed 20 more Albanians in the dock, allegedly accusing them of keeping unauthorized weapons and then misusing and selling these weapons.

This is a trumped-up charge which the Serbian authorities are using for propaganda reasons, that the Albanians of Kosovo allegedly are involved with arms smuggling.

Albanians Want Peaceful Option, Albanian in Schools

AU0202161593 Belgrade BORBA in Serbo-Croatian 23-24 Jan 93 p 4

[Report by R. Barjaktarevic on the news conference by the Democratic Alliance of Kosovo on 22 January; place not given: "Neither a Military Option nor Terrorism"]

[Text] "The leadership of the Democratic Alliance of Kosovo [DSK] does not want to interfere in a new dispute between President of Albania Sali Berisha and Kosovo academician Rexhep Qosja about the Kosovo question," Dr. Fehmi Agani, vice chairman of the DSK, said at yesterday's news conference of the DSK, while discussing his view on the current controversy between Pristina and Tirana.

"In Kosovo, neither the political parties nor prominent individuals advocate the idea of a military option, and particularly not terrorist ideas. We also think, assuming full responsibility, that Albania and its President Sali Berisha earnestly support our idea of an independent Kosovo. So, the issue has nothing to do with terrorism. We are basically in favor of a peaceful solution to the Kosovo problem," Agani said.

He also believes that Serbian policy "is working against itself," and sooner or later it will have to acknowledge the independent Republic of Kosovo.

"All of us should learn a lesson from the case of Bosnia-Hercegovina, and the same applies to the Serbs in Kosovo. They ought to know that certain of the privileges and the economic superiority they now enjoy are nothing other than the means by which they have been manipulated for the sake of the greater Serbian illusion. They should also know that their future and security depend primarily on equality and coexistence with the ethnic Albanians, and not on the weapons that have been distributed to them, not on their expectations of a mobilization order, and still less on chauvinistic and ultra-nationalistic calculations about how, in the case of a clash, the 'local enemies, perceived as the ethnic Albanians' will act, which is these days the main theme of conversation in certain circles," Agani said.

The DSK welcomes the decision of the Serbian Assembly, as well as the statement of American President Bill Clinton, that the war in Bosnia-Hercegovina must not spread further.

On Tuesday 26 January, following the initiative of Mr. Arens [name as transliterated], talks on the reintroduction of the Albanian language in schools will be continued in Geneva. According to Agani, education is the most brutal arena for for the greater Serbian violence in Kosovo, and in settling the problem, there has still been no progress from the original situation.

"From the outset, there have been two conflicting concepts. Our view is that education in Albanian is an equal way of education, and it has to be conducted in a form that existed before it was abolished, and that is appropriate to the needs and abilities of the ethnic Albanians. The view of the Serbian and the Yugoslav Governments is that there are no legal obstructions to having education in Albanian, which means that everything depends on the will and wilfullness of some institutions and individuals. However, we now go to Geneva feeling hopeful, first because the people in Serbia now see the absurdity of the Kosovo Serbs' behavior, and second because Serbia has not been able to extinguish education in Albanian. Third, the elections are over, so there is no further need for them to retain their uncompromising image at any price," Agani concluded.